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ENERGY AND WATER DEVELOPMENT APPROPRIATIONS FOR FISCAL YEAR 1983

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE

NINETY-SEVENTH CONGRESS

SECOND SESSION

PART 3 (Pages 1289-2183)

NONDEPARTMENTAL WITNESSES

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ENERGY AND WATER DEVELOPMENT APPROPRIATIONS FOR FISCAL YEAR 1983

THURSDAY, MARCH 25, 1982

U.S. Senate,
Subcommittee of the Committee on Appropriations,
Washington, D.C.

The subcommittee met at 2:05 p.m. in room 1318, Everett McKinley Dirksen Senate Office Building, Hon. J. Bennett Johnston presiding.

Present: Senator Johnston.

NONDEPARTMENTAL WITNESSES

SUBCOMMITTEE PROCEDURE

Senator Johnston. The subcommittee will come to order. In the absence of the chairman of the full committee, Senator Hatfield, I have been asked to preside over today's session. Senator Hatfield expresses his regrets that he is not able to be here this afternoon.

We have a large number of witnesses that wish to be heard today. Therefore, in accordance with our notification to each of the witnesses, it will take some self-restraint on the part of all of us to hold our oral testimony to a minimum in order that all of you who have requested an opportunity to testify may be heard.

In keeping with the subcommittee's wishes, I ask the detailed prepared statements that each of you has worked out very carefully be submitted to the record where they will be carefully reviewed. And I might say to those of you unfamiliar with our subcommittee, we use those written statements as the basis of the work of the subcommittee, although the oral testimony is important. That is the record that the subcommittee will study in determining its judgment and recommendations for the upcoming year.

Also, in this way you will have a carefully detailed record so that anyone who is not present will be able to arrive at an independent judgment.

If each witness will summarize the important points of his oral testimony it would be most helpful.

PRAIRIE BEND FEASIBILITY STUDY

STATEMENT OF HON. J. JAMES EXON, U.S. SENATOR FROM NEBRASKA

ACCOMPANIED BY RON BISHOP, GENERAL MANAGER, CENTRAL PLATTE NATURAL RESOURCES DISTRICT

We are very pleased this afternoon to have my distinguished colleague from Nebraska, an outstanding senator, Senator Exon—or Exxon as we call him around here. [Laughter.]

We are very glad to have you here, Jim.

Senator Exon. Thank you very much for your kind introduction by the acting chairman of the subcommittee, and thank you for your welcome. I know you are pressed for time, but if you would like to take a little more time extolling my virtues you have my permission.

Senator JOHNSTON. Excuse me, Senator.

Senator EXON. I said, if you wish to take more time to embellish upon the kind remarks about me, Mr. Chairman, I will be delighted to yield.

Mr. Chairman, I know you are pressed for time, so we will be brief. Ron Bishop is the man to my left, and I have known Ron for a long time; he is one of the true leaders in our whole reclamation efforts in Nebraska. You talk to anybody who knows anything about reclamation and they know Ron Bishop. He is the general manager of the Central Platte Resources District.

In the budget from the Bureau of Reclamation is $150,000 for fiscal year 1983 for a feasibility study by the Bureau for the Prairie Bend project, affecting basically three outstanding agricultural counties, Dawson, Buffalo, and Hall in the central part of Nebraska.

So without further ado, Mr. Chairman, I hope the whole presentation by Ron Bishop can be made a part of the record. He is going to be brief in the interest of time, and I certainly urge the subcommittee to approve the request from the Bureau of Reclamation for this very important feasibility study.

I thank my friend from Louisiana.

Mr. BISHOP. My name is Ron Bishop, as the good Senator indicated, and I am general manager for the Central Platte Natural Resources District in south-central Nebraska, and I am representing the district in a number of other groups and organizations from that area appearing before you here today on behalf of the area and in support of the $150,000 proposed in the President's budget for fiscal 1982 for a feasibility study of water resource projects located in Dawson, Buffalo, and Hall Counties, in that area of south-central Nebraska.

The funding is badly needed because we have a number of serious problems and critical needs within that area. First of all——

WATER RESOURCE INVESTMENT PROGRAM

Senator JOHNSTON. Let me interrupt you while Senator Exon is still here, in case you have to go, Jim. I want you to stay—I invite you to stay, but as Senator Exon can tell you, I have been one of the strong proponents of water for many years—and Senator Exon has helped us in that regard. We have a very difficult situation as far as the Federal budget is concerned. I think the connection between the size of this Federal deficit and the interest rates, and in turn the recession, is very very clear. And I think we have got to cut down on that deficit in a very, major way, and I know Senator Exon agrees with that, because both of us are members of the Budget Committee.

But it will be my position on that Budget Committee that while we need to cut down the deficit, water resource development has taken a greater cut than almost any other function of government that I know of. This is our "seed corn" to a large extent.

But, by and large, these kinds of projects are, as I say, the "seed corn" of our infrastructure. They provide for flood control, for irrigation, they provide for navigation, and we are making a big mistake if you try to be penny-wise and pound-foolish in not funding the legitimate water needs of our country.

Now, Mr. Bishop, I hope you did not mind that interruption.

GROUND WATER AND WATER LEVEL PROBLEMS

Mr. Bishop. I was glad to hear you say that, Senator; we agree with you totally.

Our area is highly dependent upon agriculture. We have got some serious water problems with that supply, because most of the supply comes from ground water. Our ground water levels, however, are declining and, in fact, declining to the point where over the next 20 to 35 years there are going to be thousands of acres that are taken out of production because the supplies are just not in existence.

In addition, there is a quantity problem; we have some water quality problems, to the point that we have had to abandon a number of not only real domestic wells, but a number of domestic wells, because the nitrate levels exceed the public health service's published health minimum, and if that were not enough, coupled with that within the same area, we have got some flooding problems. A single flood in June 1967 caused over $30 million worth of damage just in the eastern half of our natural resource district.

Senator Johnston. Let me interrupt you again, Mr. Bishop. Does the Bureau have the capability of making this study?

Mr. Bishop. Yes, they do.

Senator Johnston. Let me tell you, I will support your request here if Senator Exon does, and I know he will. But if he supports it, I will support it, and I hope the subcommittee will.

The Reclamation's budget is up 23 percent because there has been a tremendous demand upon them, so two things will have to be determined. First, the capability of the Bureau; and second, we have to look beyond the use of the $150,000 cost of the study and what the total cost of the project will be. I would not think that will stand in the way of the study, but it is one of those things we have to think about.

What range of magnitude do you think the project will cost?

Mr. Bishop. The feasibility study is estimated in the $1 to $1.75 million level; and the project as we envision it would be somewhere in the range of $100 to $200 million. There would be a multipurpose water resource project, not only supplying water, but enhancing water quality and providing flood control.

Senator, with the understanding of your support and the committee's support on water projects, I would like to say just one thing and then I will stop there.

LOCAL FUNDING SUPPORT

Our district has already put in quite a number of dollars ranging something over $400,000 in the study efforts to be utilized in the planning. We are standing by to provide additional services, as is the State of Nebraska. We want to make sure, however, that everybody is aware of our sincerity and dedication to this project, so our financial resource district has earmarked $240,000 to be used to assist in the feasibility study; $240,000 cash in addition to the in-kind service.

Senator JOHNSTON. Well, we are going to have an uphill fight on this and other water projects, so I am giving you your charge right now: If you want to get this project funded not just in the feasibility study, but otherwise, you will have to help us up here with the Congress. It will be a big job.

Mr. BISHOP. We are dedicated to that, Senator, and thank you for the time.

Senator EXON. If I might add, not only do we need the help of Congress, but we need the help of the President, and all of us in this room should understand that.

Senator JOHNSTON. I am glad you mentioned that.

Senator EXON. I mention that every chance I get, because I run into people, as I am sure you do from Louisiana, who say, "Yes, we have got to cut this overall budget." But, now you and I know it is a matter of setting priorities.

I would not be here recommending this project unless I thought it was one that can stand the cost-benefit test to do a good job for Nebraska, and we will do our part, and I thank the chairman for his courtesy. It has been a pleasure to work with you as one of the true leaders of the U.S. Senate in the matter of water conservation and water quality.

Senator JOHNSTON. Thank you very much.

[The statements follow:]

STATEMENT OF RON BISHOP, GENERAL MANAGER, CENTRAL PLATTE NATURAL RESOURCES DISTRICT

Mr. Chairman....Committee Members:

My name is Ron Bishop and I am General Manager for the Central Platte Natural Resources District and am appearing before you today on behalf of the District and other groups from the Central Platte Valley of Nebraska. Our Central Platte Natural Resources District covers part or all of the ten counties in south-central Nebraska that encompass the Platte River and its drainage areas along a 175 mile stretch extending from Gothenburg, Nebraska on the west to Columbus, Nebraska on the east.

A number of serious problems and critical needs relating to water exist within our Natural Resources District area. The economy of the area and the well-being of the people residing therein is dependent upon irrigated agriculture with the primary source of irrigation water being ground water.

The ground water levels, however, have been declining, causing an increase in pumping costs and an accompanying reduction in well production. The current ground water level declines of up to 25 feet are predicted to increase over the next 20 to 35 years to the point where thousands of irrigated acres will revert to dry-land without some kind of a supplemental supply project.

As for drinking water, each and every one of the over one-hundred thousand residents within our Natural Resources District gets their drinking water supply from ground water but ground water quality problems have developed in the eastern half of our District to the point where a number of municipalities have had to abandon wells because some of the constituent levels exceeded the U.S. Public Health Service's published maximum safe level for human consumption.

While one of our major water problems is related to an inadequate ground water supply, the area is also subject to infrequent but severe excesses of surface water in the form of flooding. The single flood event of June 1967 caused over $30,000,000.00 worth of damage in the eastern half of our Natural Resources District alone.

In addition to those major problems there are also some needs related to water within our area.

First of all, there is a need to maintain adequate water supplies for the water fowl, fish and wildlife that currently utilize the area. The Big Bend area of the Platte River Basin in Nebraska plays host to five to seven million migratory water fowl each and every year.

There is also a need within our area for water based recreation facilities for our residents and the other residents of central Nebraska.

Congresswoman Virginia Smith and our Natural Resources District along with several other organizations, groups, associations and individuals have been working for a number of years toward getting a water resources project implemented in the area that would resolve those problems and address those needs.

The project that is needed and envisioned by the sponsors, which are our Natural Resources District, the Central Nebraska Conservation Association and the Twin Valley Conservation Association, is not a single purpose irrigation project but a comprehensive multi-purpose water resources project.

We have good reason to believe that one project could:

(1) supply supplemental irrigation water
(2) stabilize the declining ground water levels
(3) enhance ground water quality
(4) protect and enhance the quality of the municipal, small communities and rural domestic water supplies
(5) provide fish and wildlife habitat
(6) provide flood control and reduce flood damage, and
(7) provide public outdoor recreation for the residents of south-central Nebraska.

In addition, we feel the project can be designed so that it recognizes and addresses the need for maintaining flows in the Platte River at the critical times for such instream and downstream uses as:

(1) ground water recharge for irrigation and rural domestic supplies
(2) induced recharge for municipal water supplies
(3) migratory waterfowl
(4) maintenance of sub-irrigated crops
(5) maintenance of wet meadows and wetlands
(6) water quality enhancement in surface and ground water, and
(7) fish and wildlife.

While we have had a concentrated effort to get the U.S. Bureau of Reclamation authorized and funded to do a feasibility study of the project during those years we have not confined ourselves to just requests for the needed assistance.

We have already made a considerable amount of up-front progress toward making the project a reality. Numerous studies, programs and data gathering efforts have been conducted that will aid in the preparation of the feasibility study.

(1) Water Quality Studies. The water quality studies and programs that have already been conducted will be beneficial to the planning of the water resources project as it relates to identification of water quality problem areas, extent of the problem and effective methods of improving the ground water quality.

The local people, through our Central Platte Natural Resources District, have provided over $300,000.00 in cash toward those studies to-date, in addition to the hundreds of man-hours involved.

The funding by the State of Nebraska toward those studies has been approximately equal to the local contribution.

(2) Ground Water Model. Our Central Platte Natural Resources District and the Lower Loup Natural Resources District which borders us on the north, under contract with the U.S. Geological Survey, has developed a detailed ground water flow model of the ground water basin lying between the Loups and Platte River from the Lincoln-Dawson County line eastward, which encompasses the proposed project area.

The approximate cost of this ground water flow model is $120,000.00 with the cost being shared on an approximate 50-50 basis between U.S. Geological Survey and the districts.

The ground water model will be available and very helpful as a planning tool in evaluating the various alternatives available for the water resources project.

The Bureau of Reclamation would anticipate utilizing the model results in their more detailed planning efforts.

(3) Study of Engineering Alternatives. Our Natural Resources District contracted with the Denver, Colorado office of the engineering firm of CH$_2$M Hill to look at various project alternatives available to the local people. One set of alternatives the firm evaluated was the physical or engineering alternatives available to address the water supply needs of the project area.

(4) Study of Financial Options. Another set of alternatives that was evaluated by the CH$_2$M Hill firm were the options available to the local people for financing or assisting in the financing of the water resources program.

(5) Study of Institutional Options. The third set of alternatives evaluated by CH$_2$M Hill for the District were the options available to the local people for establishing an organization to develop, manage and operate a water resources program.

The studies by the private firm of the engineering alternatives along with the study of the financial and institutional options was done under contract to, and paid for by, the Natural Resources District at a cost of approximately $35,000.00.

(6) U.S. Bureau of Reclamation's Appraisal Study. The Bureau made an evaluation of a supplemental water supply project for the eastern part of the proposed project area during their Upper Platte Basin Study.

The water budget studies indicate that ultimately some 35 to 40 percent of the arable land may be without a reliable water supply for irrigation purposes without a project.

Additional problems resulting in the predicted water table decline would include increased degradation of ground water quality and loss of wet meadow areas north of and adjacent to the Platte River.

In just the last year, fifteen (15) public meetings have been conducted across the general area. Following many of these public meetings a questionnaire was distributed to all in attendance and they were asked to indicate, among other things, their support or opposition to a project as proposed and return the questionnaire unsigned at the end of the meetings. Of the several hundred questionnaires returned 94 percent indicated support, 3½ percent opposition and 2½ percent indicated no opinion.

Also within the past year another thirty-five (35) meetings have been conducted with individual organizations and associations including Livestock Feeders, Farmers Union, Chambers of Commerce, City Councils, Farm Bureaus, businessmen's clubs, county boards and various civic groups and special interest groups such as the Lion's, Kiwanis, Rotary, League of Women Voters, women's clubs, Audubon, Optimists, various engineering clubs and other organizations.

In addition to these 50 or so meetings, one of the sponsoring organizations (the Twin Valley Conservation Association) has been active in securing letters and petitions of support primarily from the area north and west of Kearney, Nebraska.

The petitions and letters indicate that support is running 90 percent or more in that area around Kearney.

Our efforts during the last several years to secure authorization and funding for a feasibility study for a project have also received strong support from our State Senators from the area, as well as from the State of Nebraska.

Nebraska's Interagency Water Coordinating Committee, composed of the department heads of the various state agencies that deal with land and water resources, as well as the Nebraska Natural Resources Commission and the Governor's office, support the feasibility study for the project.

All of the data from these plans, studies, programs, research and activities lead us to several conclusions:

(1) The water resources project is feasible from both an engineering and an economic viewpoint;

(2) There is sufficient unused flows in the Platte River that passes right through our Natural Resources District to provide the supplemental water needed;

(3) There is sufficient water available to recharge the ground water aquifer and stabilize the now declining ground water levels;

(4) That ground water recharge can also enhance ground water quality and protect the municipal, small community and rural domestic water supplies;

(5) There are good reservoir sites for the necessary storage available on Prairie Creek and on Wood River and its tributaries;

(6) Soils within the project area are highly suitable for irrigation with most of the land falling in the Soil Conservation Service's classification of "prime" agricultural land;

(7) Benefits from the project would more than cover the costs of building and operating the project;

(8) Large monetary, environmental and aesthetic benefits would occur from the development of fishing, wildlife and recreational aspects of the water and land use;

(9) Major flood control benefits could occur at little or no additional cost;

(10) Analyzing the project from an irrigation standpoint alone should have a favorable benefit:cost ratio of approximately 1.6 to 1;

(11) The Bureau of Reclamation indicated from their studies that a feasibility study of the project appears to be justified, both on the basis of need and on the basis of probable economic feasibility.

In summary, while we have a tremendous need, there is a feasible solution. Feasible both from an engineering and an economic standpoint. The solution is a multi-purpose water resources project.

Our Natural Resources District Board, the other organizations from the area and people from our region are in support of, and committed to, this project.

We have the support of the State of Nebraska and we now have the necessary legislation that was introduced on the House side by our Congresswoman, Virginia Smith, as well as on the Senate side by Nebraska's Senators James Exon and Edward Zorinsky. It would authorize the Bureau of Reclamation to conduct feasibility studies of a water resources project in the Central Platte Valley.

We feel confident that the in-kind services that our Natural Resources District, as well as the various agencies of the State of Nebraska, will be able to provide toward the studies will be a major contribution in the effort and would, in all probability, be considered more than adequate to meet any possible need for state or local participation in this type of a program.

We want to be sure, however, that there is no question about our need, our desire, our support and our sincerity toward this project. Therefore, the Board of Directors of our Natural Resources District went on record at their regular board meeting on December 17, 1981, to commit, if needed, up to $200,000.00 over the next 3½ years for the feasibility study of a water resources project for Dawson, Buffalo and Hall Counties in Nebraska. That $200,000.00 is in addition to the $40,000.00 that our District already has budgeted and has on hand. All told, it would bring our funding commitment to a total of $240,000.00.

We are confident that a multi-purpose water resources project will prove to be feasible and, when developed, will make a major contribution to the stability of Central Nebraska's economy and to the people of the region and their well-being, as well as enhance the fish and wildlife resources.

To make such a program a reality we need your help and we need the help of the U.S. Bureau of Reclamation.

We would hope that you would all lend your strong individual and committee support to the Federal appropriation of at least $150,000.00 for Fiscal 1983 so that the Bureau of Reclamation can begin the feasibility study that we so earnestly need.

Thank you.

STATEMENT OF DICK GOOD, EXECUTIVE VICE PRESIDENT, GRAND ISLAND (NEBR.) AREA CHAMBER OF COMMERCE

Mr. Chairman...Committee Members:

My name is Dick Good, I am the Executive Vice President of the Grand Island Area Chamber of Commerce.

Grand Island is a city of 33,000 located in the Platte River Valley. Irrigated agriculture is the basis of our economy. Water for irrigation comes from an extensive underground aquifer supplemented by some diversion of water from the Platte River.

Irrigation from this underground reservoir began in earnest during the drought of the 50's and is continuing to expand at this time. In recent years, it has become apparent that the rate of pumping from the aquifer is exceeding the rate of recharge thus causing a decline in the water level in this aquifer. If this trend continues, serious water shortages may occur within 20 to 30 years. This would make it necessary to convert some of these lands to dryland agriculture which is of course much less productive.

In addition to depending on this groundwater for agriculture, virtually all of the domestic needs of the people in the valley are met by use of groundwater. It is important to the people of Grand Island and our rural neighbors to maintain the present level of agriculture production. To do this we must maintain on a sustained basis, the present water yield from the aquifer. One of the first tasks of this study will be to determine tha amount of water needed to sustain the areas use.

Restoring the aquifer can be accomplished by diverting water from the Platte River to the areas where the groundwater is being depleted. Several methods for replacing this deficit once the water is delivered to the depleted area are engineeringly feasible. The method selected will depend on the economic and environmental costs associated with the alternative.

Using the Platte River water to suppliment the declining water tables in the Prairie Bend area should not have serious detrimental environmental impacts if the project, as it is developed, recognizes the flows required to maintain the instream uses of the river. The Platte River as it flows through the valley, provides habitat for many resident wildlife species and 5 to 7 million migratory birds. The Platte River also feeds the adjacent aquifers that supply water to thousands of pump irrigated acres; and provides all of the domestic water for the communities along the Platte including Grand Island which pumps its water from a well field on an island in the Platte.

The Platte and our irrigated agriculture is the backbone of our region's social structure. Our economy and life style are dependent on them. This feasibility study of how to supply supplemental water to the Prairie Bend area and manage flows to maintain our regions domestic water supply is sorely needed. We urge this committee to act favorably on this bill.

Thank you.

STATEMENT OF RODNEY K. GANGWISH, SHELTON, NEBR.

REQUEST: $150,000.00 for Fiscal 1983

FUNDING PURPOSE: Feasibility Study by U.S. Bureau of Reclamation

PROJECT: Prairie Bend

LOCATION: Dawson, Buffalo and Hall Counties in Nebraska

PROJECT PURPOSE: Irrigation, stabilization of groundwater levels, enhancement of water quality, small community and rural domestic water supplies, management of fish and wildlife habitat, flood control, public outdoor recreation and other purposes determined to be appropriate.

Mr. Chairman...Committee Members:

I would like to take this opportunity to submit written testimony in support of the appropriation of $150,000.00 proposed in the President's budget for a feasibility study of Prairie Bend by the Bureau of Reclamation.

I am a landowner and live two and a quarter miles south, and two and a quarter miles west of Shelton, Nebraska, within the boundaries of the proposed Prairie Bend unit and am actively engaged in a farming partnership with my brother and my father.

I wish to convey to you a growing concern on the part of myself and my neighbors about the future of irrigated agriculture in our area.

We have ground water declines of 15 to 25 feet in the area with a significant decrease in well production. In most areas of the northern part of the Prairie Bend unit, the top water Pleistocene formation has been depleted. Some of these shallow wells in the northern reaches of the area that were yielding 700 to 800 gallons per minute 10 years ago now yield less than 150 gallons per minute. These shallow wells have been replaced with deep wells drilled into the Ogallala aquifer. The problem is that in some areas the Ogallala formation either does not exist or is not that productive and is yielding only 400 gallons per minute.

The land we farm that lies close to the Platte River (within two to four miles) also has no deep water Ogallala aquifer. The wells on this land have decreased up to 25 percent in output over the last 15 to 20 years.

This trend is alarming to me,and when we take into account the projections of ground water models and studies, such as the Platte River Basin Level B Study conducted by the Missouri River Basin Commission, our future for sustained irrigated agriculture is in serious jeopardy.

In addition, there are water quality problems. All of the residents and towns in the area get their drinking water from ground water. Several communities have problems because their nitrate content is above the Public Health Service's recommended maximum. I had to replace my well four years ago because it was yielding water with this same problem.

Flooding is another problem and, although not frequent, can cause a great deal of damage. There was in excess of $30,000,000.00 damage in the 1967 flood between Kearney and Columbus, much of which was in the proposed project area.

I feel the mood of the people in our rural area and in the surrounding communities of Grand Island and Kearney, have changed to the point that they are ready to face up to these challenges. We envision a project that would not only supplement irrigated water supply, stabilize ground water levels and enhance ground water quality, but would enhance municipal and rural domestic water supplies and provide fish and wildlife habitat, public outdoor recreation and flood control. One or more of these facets of the project would appeal to every citizen of our area in addition to stabilizing the economy of irrigated agriculture.

These are some of the reasons for the strong base of support the project has throughout the valley.

As you can see, we are not talking about a single purpose irrigation project, but a multi-purpose water resources project that would address all of these needs and more.

My neighbors and I support this type of project which will meet our needs for our future in irrigated agriculture. If we do not have some solutions to our challenges, we will be faced with turning irrigated acres back to dry land.

We in the Prairie Bend unit urge you to support this bill in Congress.

STATEMENT OF HOWARD L. PETERSON, STATE SENATOR OF NEBRASKA

REQUEST:	$150,000.00 for Fiscal 1983
FUNDING PURPOSE:	Feasibility Study by U.S. Bureau of Reclamation
PROJECT:	Prairie Bend
LOCATION:	Dawson, Buffalo and Hall Counties in Nebraska
PROJECT PURPOSE:	Irrigation, stabilization of groundwater levels, enhancement of water quality, small community and rural domestic water supplies, management of fish and wildlife habitat, flood control, public outdoor recreation and other purposes determined to be appropriate.

Dear Senator Hatfield and Subcommittee Members:

I regret that prior commitments and key issues being debated before our State Legislative body prevented me from appearing in person in support of the proposed $150,000.00 appropriation for the feasibility study of the water resources project located in Dawson, Buffalo and Hall Counties in Nebraska which is so vital to our region.

I, nevertheless, wanted you to know of my strong support and commitment to that project and the vital part it will play in protecting our region's, as well as the State's,economy. We presently have large areas in eastern Dawson County, Buffalo County and Hall County where the water table is declining at a very rapid pace. In much of those same areas we have groundwater quality and flooding problems, as well as a number of other water related problems and needs.

Congresswoman Virginia Smith, I and my fellow State Senators from the region, along with the Natural Resources District and several other organizations, groups and individuals, have been working for a number of years toward getting a multi-purpose water resources project developed that would solve those problems and satisfy the needs.

Through the efforts of the local groups and in cooperation with other State and Federal agencies, a number of studies and investigations have already been carried out that will assist in the preparation of the feasibility study.

Additionally there will be a considerable amount of in-kind services that the various agencies of the State of Nebraska, as well as the local organizations and groups will be able to provide toward the study as it progresses. The Central Platte Natural Resources District has also notified me that they have, in addition, committed $240,000.00 to the feasibility study.

Local, regional and state support for a feasibility study is very high and we are confident that such a study will show that a multi-purpose water resources project would not only prove to be feasible but will, when developed, be a major contributing factor to the stabilizing of the region and the fish and wildlife resources.

I would ask your individual and committee support for the proposed appropriation of $150,000.00 in the President's budget for Fiscal 1983 to be used by the Bureau of Reclamation for the feasibility study of the water resources project in the Central Platte Valley.

Statement of Ronald G. Hargens, Cairo, Nebr.

REQUEST: $150,000.00 for Fiscal 1983

FUNDING PURPOSE: Feasibility Study by U.S. Bureau of Reclamation

PROJECT: Prairie Bend

LOCATION: Dawson, Buffalo and Hall Counties in Nebraska

PROJECT PURPOSE: Irrigation, stabilization of groundwater levels, enhancement of water quality, small community and rural domestic water supplies, management of fish and wildlife habitat, flood control, public outdoor recreation and other purposes determined to be appropriate.

Mr. Chairman....Committee Members:

I farm between Cairo and Wood River in the approximate center of the Prairie Bend area. I am 35 years old and have always lived in this area and have farmed for 18 years for myself.

In that time period I have seen the shallow wells go dry, being replaced by deep wells, tripling the horsepower requirements for irrigation water. On the land I farm there have been six irrigation wells abandoned for lack of production. Replacement wells were drilled at a greater depth to sustain irrigation.

According to the Bureau of Reclamation studies, and other studies done by private engineering firms, it is shown that in parts of the Prairie Bend area the aquifer life to sustain irrigation is 25 years or less.

In the same period the nitrate level of our house well has increased to 13 parts per million, three parts per million above the drinking water quality standard. Since we discovered this high level of nitrate in our drinking water we have been hauling bottled water for drinking.

To solve some of our problems, the Central Nebraska Conservation Association (Prairie Bend) was formed by a group of farmers and landowners from the Cairo, Wood River and Shelton area in western Hall and eastern Buffalo County in Nebraska. The purpose of the organization is to develop an irrigation and ground water recharge project to combat declining water tables and well production in much of the area.

To do this we filed a water right application in March of 1976 with the State of Nebraska to divert, store and use Platte River water. In October, 1976 we went to the Central Platte Natural Resources District, a local government subdivision, to ask them to assist us in securing a feasibility study. The Board of Directors unanimously decided to help us because of the existing and future water problems. Together we began seeking assistance from the Bureau of Reclamation to have them do an appraisal and feasibility study of the area.

The Upper Platte River Study has been completed by the federal government and the Prairie Bend area was part of the study. The study shows that there is a feasible project in the area. With the pre-feasibility study being completed we are ready for the complete feasibility study.

Our Nebraska delegation has introduced legislation in both the House and the Senate for the feasibility study. The Central Platte Natural Resources District has budgeted $240,000.00 to help fund the feasibility study and additional financial support is being offered from the Central Nebraska Conservation Association.

The project is being supported by several area groups and organizations: the Hall County Board of Supervisors, Buffalo County Board of Supervisors, Kearney Chamber of Commerce, Grand Island Chamber of Commerce, City of Grand Island, the towns of Cairo, Shelton and Wood River, Central Platte Natural Resources District, The Nebraska Natural Resources Commission, Nebraska Water Resources Association and several other groups and organizations.

An attitude survey poll was conducted by the Central Platte Natural Resources District, Central Nebraska Conservation Association, Whooping Crane Habitat Maintenance Trust and the Grand Island Chamber of Commerce. The poll was taken in the Central Platte River Valley and showed the people were very much in favor of a water storage project in the area. Of those who had an opinion, 85 percent were in favor.

With this amount of State and local support, and the existing and future water problems of water quality and supply, we feel it is of utmost importance that a feasibility study be done of the area to determine what can be done to solve the problems.

Therefore, I am submitting this testimony to request your support of the appropriation of $150,000.00 proposed in the President's budget for a feasibility study of Prairie Bend by the Bureau of Reclamation.

STATEMENT OF DOUG THOMPSON, WOOD RIVER, NEBR.

REQUEST:	$150,000.00 for Fiscal 1983
FUNDING PURPOSE:	Feasibility Study by U.S. Bureau of Reclamation
PROJECT:	Prairie Bend
LOCATION:	Dawson, Buffalo and Hall Counties in Nebraska
PROJECT PURPOSE:	Irrigation, stabilization of groundwater levels, enhancement of water quality, small community and rural domestic water supplies, management of fish and wildlife habitat, flood control, public outdoor recreation and other purposes determined to be appropriate.

Mr. Chairman....Committee Members:

I sincerely ask the Committee to seriously consider the request for the approval of funds for the feasibility study of the Prairie Bend Project in Central Nebraska.

This project is essential to the irrigated economy of the Hall/Buffalo County area. The area included in the project has been experiencing significant groundwater declines over the past twenty years and the projections of declines for the coming years are disastrous.

As a farmer who has lived and farmed in the western Hall County area my entire life (as did my father and grandfather), I have seen our wells that at one time would pump 1,000 gallons per minute from 60 feet deep, decline to 500 gallons per minute at 200 feet deep. The replacement cost of these "deep" wells into the Ogallala aquifer is staggering (approximately $15,000.00 per well), not to mention the increased energy requirements which are approximately triple.

The Prairie Bend Project would not only surface irrigate a considerable portion of the area, but would provide us the much needed recharge of the underground aquifer for continued pump irrigation.

The area to be served by this project is not marginal land which would be developed for irrigation should the project be built; it is for practical purposes, all Class I prime farmland which has already been developed and irrigated over the last 40 years. This entire area of Nebraska operates on an irrigated economy, not only the farmers, but all businesses which are interrelated to them. Should the area be reverted to a dry land economy, the consequences would be disastrous.

Local support for the project is tremendous. The Central Nebraska Conservation Association (Prairie Bend) is operated strictly on donations from area farmers and businessmen, and has worked in conjunction with the Central Platte Natural Resources District on the project. In addition to the $240,000.00 committed to the project by Central Platte Natural Resources District, many in-kind services have been and will continue to be rendered by both groups.

My personal commitment to this project is only slightly evidenced by the fact that my own time and money were spent to be here today. The futures of my family and neighbors will hinge upon this project; and therefore, I hope you will give it your most serious consideration.

CALIFORNIA WATER RESOURCE PROJECTS

STATEMENT OF HON. S. I. HAYAKAWA, U.S. SENATOR FROM CALIFORNIA

Senator JOHNSTON. I did not see Senator Hayakawa back there. We are delighted to welcome you, Senator, to our committee. You have been a great stalwart in the area of water resources, and you are not only welcome all the time to this committee, but we all listen very carefully to what you say and in 90 or 95 percent of the time do exactly what you wish, as long as it does not cost too much. [Laughter.]

Senator HAYAKAWA. I know you are pressed for time, so I will condense my remarks as much as possible.

I am very grateful to you for arranging to hear testimony on a variety of water projects affecting California. Ever since the State legislature first met in 1850, California has tried to develop methods to control, conserve, and develop its water resources. As if providing water for the 23 million people living in California was not a large enough task, we also must meet the demands of California agriculture which uses 85 percent of the State's water.

OCEANSIDE HARBOR, CALIF.

You will also hear from a variety of groups today representing various water projects in my State. One group, the city of Oceanside, has not only my support, but the support of the Army Corps of Engineers and elected officials in the San Diego area as well. In my testimony before this subcommittee last year, I stressed the importance of installing a sand bypass at Oceanside Harbor. Needed to maintain the harbor channel and restore the eroding Oceanside beach, the sand bypass is a money-saving alternative to the harbor dredging process presently performed at full Federal expense every 18 months. People no longer flock to Oceanside's beach because there is not much of one left. It is heartbreaking to see this. Property values have declined, as has tourism.

Last year, as I requested, Congress directed the Army Corps of Engineers to proceed with the design and installation of this important project. This year, I urge you to include $4.5 million in the fiscal year 1983 Energy and Water Development appropriations bill to complete the Oceanside sand bypass project.

There is still a need to develop other harbors, such as at Santa Barbara. If moneys are not appropriated to annually dredge Santa Barbara's Harbor, it will close within 1 year. Closing will result in a $44.7 million economic loss to Santa Barbara's tourism, fishing, and harbor business industries.

SAN JACINTO RIVER LEVEE AND BAUTISTA CREEK PROJECTS

Another group, the Riverside County Flood Control and Water Conservation District, needs funds to repair two flood control projects incorrectly designed by the Army Corps of Engineers. Last year, the San Jacinto River levee and a section of the Bautista Creek were breached, causing widespread flooding to the approximately 20,000 people living in San Jacinto, Calif. Although the Corps temporarily repaired it last year, the engineers recommended the installation of a series of groins at key points, and I ask you to examine this project which Congress authorized with certain cost-sharing requirements agreed to by local interests 20 years ago.

REDBANK AND FANCHER CREEKS, CALIF.

Finally, I would like to call your attention to the Redbank and Fancher Creeks flood control project in Fresno County, Calif. The project, when constructed, will protect 51,000 acres of land populated by more than 112,000 people at a cost-benefit ratio of 1.3 to 1.0. Designed to protect an area historically plagued by flooding, the Redbank and Fancher Creeks flood control project is economically and environmentally justified. I respectfully ask this subcommittee to provide funding for this project and support the President's budget request for $410,000.

PREPARED STATEMENT

Although I have only mentioned four water projects pending before this subcommittee, I know you are swamped with many worthwhile proposals. I appreciate your taking the time to drain the swamp and squeeze out water to benefit not only California's interests, but also those of our Nation.

I ask your consent to have the full remarks put into the record.

[The statement follows:]

STATEMENT OF SENATOR HAYAKAWA

Mr. Chairman and members of the subcommittee, recently we have heard reports of the airline industry's fiscal problems. But this week must be a good one for coast-to-coast carriers. In fact, every time this subcommittee holds hearings on water projects affecting Californians, I am sure the airlines benefit when many of my constituents visit you.

Once again, I thank you for arranging to hear testimony on a variety of water projects affecting California. Ever since the State legislature first met in 1850, California has tried to develop methods to control, conserve, and develop its water resources. As if providing water for the 23 million people living in California was not a large enough task, we also must meet the demands of California agriculture which uses 85 percent of the State's water. As I said on National Agriculture Day last week, California leads the Nation in production of 50 different crops. If California were an independent country, it would be the seventh largest agricultural economy in the world. None of this would be possible without water.

Today you will hear from a vriety of groups representing various water projects in my State. One group—the city of Oceanside—has not only my support but that of the Army Corps of Engineers and elected officials in the San Diego area as well. In my testimony before this subcommittee last year, I stressed the importance of installing a sand bypass at Oceanside Harbor. Needed to maintain the harbor channel and restore the eroding Oceanside beach, the sand bypass is a money-saving alternative to the harbor dredging process presently performed at full Federal expense every 18 months. People no longer flock to Oceanside's beach because there is not much of one left. Tourism has declined, as have property values.

Last year, as I requested, Congress directed the Army Corps of Engineers to proceed with the design and installation of this important project. This year, I urge you to include $4.5 million in the fiscal year 1983 Energy and Water Development appropriations bill to complete the Oceanside sand bypass project.

While the sand bypass is a cost-effective approach for Oceanside, there is still a need to dredge other harbors such as the Santa Barbara Harbor. If moneys are not appropriated to annually dredge Santa Barbara's Harbor, it will close within 1 year. Closure would result in a $44.7 million economic loss to Santa Barbara's tourism, fishing, and harbor business industries.

Another group, the Riverside County Flood Control and Water Conservtion District, needs funds to repair two flood control projects incorrectly designed by the Army Corps of Engineers. Last year, the San Jacinto River levee and a section of the Bautista Creek breached, causing widespread flood to the approximately 20,000 people living in San Jacinto, Calif. Following extensive investigation, the Los Angeles District of the Army Corps of Engineers concluded that the Corps' original design did not account for the excessive scour at the toe of the levee. Although the Corps temporarily repaired it last year, the engineers recommended the installation of a series of groins at key points. Last March, the Corps agreed that cost-sharing to correct the design or construction deficiencies should be consistent with original project authorizations. This year, however, the Corps rescinded this policy and now requires the local groups to provide upfront cost-sharing of 25 percent. While I understand the administration's budget constraints, I ask you to examine this project which Congress authorized with certain cost-sharing requirements agreed to by local interests 20 years ago.

Finally, I would like to call your attention to the Redbank and Fancher Creeks flood control project in Fresno County, Calif. The project, when constructed, will protect 51,000 acres of land populated by more than 112,000 people at a cost-benefit ratio of 1.0 to 1.3. Designed to protect an area historically plagued by flooding, the Redbank and Fancher Creeks flood control project is economically and environmentally justified. I respectfully ask this subcommittee to authorize funding for this project and support the President's budget request for $410,000.

Although I have only mentioned four water projects pending before this subcommittee, I know you are swamped with many worthwhile proposals. I appreciate your taking the time to drain the swamp and squeeze out water to benefit not only California's interests, but also those of our Nation.

REDUCTION IN CORPS O. & M. PROGRAM

Senator JOHNSTON. Thank you, Senator Hayakawa, we have many, many California projects. But the administration has asked for $150 million less than the amount needed nationwide for the operation and maintenance of our ports, and we simply must get that up. We can't have $150 million worth of silt in our ports and expect to keep them in good shape and competitive.

So we have got a big job to do, and it is fine to balance the budget, and I am all for it and willing to do a lot of things to balance the budget, but you do not do it by failing to dredge your ports—after all, where does your trade come except through your ports. It is very very ill advised, it seems to me, to fail to maintain ports and other essential water projects.

PREPARED STATEMENTS OF SENATOR CRANSTON AND CONGRESSMAN PANETTA

I might add here that Senator Cranston has submitted a written statement which will be put into the record at this point, as well as a statement from Congressman Panetta.

[The statements follow:]

STATEMENT OF SENATOR ALAN CRANSTON

Mr. Chairman, I'm pleased to have the opportunity once again to testify in support of funding for Corps of Engineers and Bureau of Reclamation projects in the State of California.

For fiscal year 1983, the Reagan Administration is requesting $108,555,000 for the Corps' navigation, beach erosion, and flood control projects and $113,798,000 for the many reclamation programs of the Bureau in the Golden State. This compares with $149,709,000 appropriated for the Corps and $110,256,000 appropriated for the Bureau in fiscal year 1982. The Reagan Administration is thus proposing continued funding of the Bureau's California program at near the fiscal year 1982 level, but is recommending almost a 30 percent reduction in the Corps' California budget.

One area of cuts is the Corps navigation maintenance program. As this Committee knows, in its fiscal year 1983 budget, the Reagan Administration is asking for $150 million less than the amount needed nationwide for maintenance of our ports. The budget request is intentionally low to encourage Congress to enact legislation providing for greater local cost sharing for deepening and maintaining harbors, thereby making up the needed additional funds. However, it's not at all certain that such legislation will be enacted this year. Without passage of the port user fee legislation or an augmentation to the President's budget, essential dredging work will not be accomplished in fiscal year 1983, including projects in California -- Crescent City Harbor, Morro Bay Harbor, Redwood City Harbor, and Santa Barbara Harbor.

Mr. Chairman, it's my understanding that in developing its list of navigation operation and maintenance projects that would not be funded under these circumstances, the Corps of Engineers has not taken into consideration the economic impacts of discontinuing Corps maintenance dredging. Yet there will clearly be drastic and far reaching ramifications -- and safety impacts as well. At Morro Bay Harbor, for example, the inevitable shoaling which would take place if dredging were discontinued would close the harbor to larger craft and increase the hazard to small boats. The commercial fishing fleet of Morro Bay with over 100 boats and 200 crew members would be heavily affected. According to the California Department of Fish and Game, the 1980 commercial catch for Morro Bay was approximately 3,500 tons of fish valued at $3,720,000. Those industries which support the commercial fishing fleet and sports fishermen -- the marine good stores, bait and tackle shops, and seafood processors -- would also be severely impacted. This amounts to some 50 firms, employing 500 people with an estimated payroll of $2 million. And additionally there would be impacts on Morro Bay's tourist trade -- the restaurants, motels and shops which serve visitors and fishermen alike. In all, Morro Bay's economic loss would be not less than $6.7 million.

Santa Barbara Harbor would be similarly affected. It too serves a significant commercial fishing fleet -- 150 to 250 boats at different times of the year. In addition, recreational boating and tourism is important to Santa Barbara's economy. The U. S. Coast Guard maintains one cutter at Santa Barbara and the Navy has a ship there engaged in scientific research under contract. The Santa Barbara Harbor needs to be dredged twice a year to remain open. This work has been performed by a private dredger under contract to the Corps. Without this maintenance dredging -- which will cost $950,000 in fiscal year 1983 -- one winter storm could effectively close the Santa Barbara Harbor, causing very real loss of jobs and income in the community.

Mr. Chairman, I believe that until Congress enacts legislation making reforms in the financing of port development and maintenance projects we should continue to provide adequate funding for the Corps to perform necessary maintenance work. Thus, I urge the Committee to restore the funds for Morro Bay Harbor, Santa Barbara Harbor, and other California ports which normally would be dredged in fiscal year 1983.

Just as there is uncertainty about the future federal role and financial participation in development and maintenance of our nation's ports, there is uncertainty over cost sharing for Corps of Engineers flood control projects. I believe there should be a uniform program applied nationwide in authorizing the construction of new flood control projects. And I am not opposed to some reasonable level of increased cost-sharing. However, California is concerned about delays in new construction starts of already authorized projects in the absence of a new Congressionally established policy on cost-sharing. A key concern and top priority of the state is the Merced County Streams flood control project which would provide protection to the City of Merced as well as Castle Air Force Base. Although there are no funds in the President's budget for Merced County Streams, it's my understanding that the Corps has the capability to use $5 million to start this project in fiscal year 1983. I encourage the Committee to provide the necessary funds to commence this project as authorized.

The issue of cost-sharing also seems to have affected the Reagan Administration's fiscal year 1983 budget request for repair of the Corps' San Jacinto River and Bautista Creek levee project. This flood control project authorized in 1950 and completed in 1962 failed during heavy rains in the fall of 1980. At that time, the Corps made emergency improvements. Last year Congress appropriated $2 million to permit the Corps to initiate the needed repair work. The President's budget for fiscal year 1983 includes an additional $2 million for the San Jacinto River and Bautista Creek levee project. However, it's my understanding that the Corps actually needs a $4 million appropriation in fiscal year 1983 to complete the improvement work before the 1984 flood season -- a goal shared by the Corps and the local community. But the Corps has not asked for adequate funds because the Reagan Administration wants the local community to pay a greater share of the costs than that specified in the authorizing legislation. Mr. Chairman, I want to emphasize that this is not a new project and should not be subject to any new cost-sharing formulas. This is an 18 year project and the problem is one of failure of the Corps' design. The Corps should undertake the repair work as expeditiously as possible. Thus, Mr. Chairman, I hope that the Committee will appropriate the actual amount needed in fiscal year 1983 for the repair work on the San Jacinto River and Bautista Creeks -- $4 million.

Finally, I would like to add a few words about the Corp's activities at Oceanside Harbor, California. Last year in the FY 1982 Energy and Water Development Appropriation Bill, Congress provided $700,000 for the Corps to develop a design and to undertake procurement and installation of a sand bypass for the Oceanside Harbor. As you may recall, as a result of the federal construction of a breakwater at Camp Pendleton immediately to the north of Oceanside, the resort community suffered loss of its sandy beaches. In the past, the beaches have been replenished through periodic maintenance dredging of the Oceanside Harbor. However, construction of a sand bypass would be a more cost-effective alternative both for the maintenance dredging and the beach renourishment work, saving more than 30 percent in annual operation and maintenance costs in the first five years alone. Because of these significant savings, the Corps and many coastal communities are looking at the Oceanside sand bypass project as a prototype which can be applied elsewhere. It's my understanding that the Corps of Engineers has just completed the design report on Oceanside which calls for a $4.5 million sand bypass system. However, the President's fiscal year 1983 budget calls for the appropriation of $1,088,000 for maintenance dredging at Oceanside Harbor. I would like to request that instead the Committee provide $4.5 million to complete installation of the Oceanside sand bypass system. Although this would mean a larger outlay in fiscal year 1983, no better investment can be made over the long term.

Mr. Chairman, there are many other worthwhile California water projects like the San Felipe Project and the small reclamation projects funded under the Bureau's loan program which you will be hearing about this afternoon from the California Marine Affairs and Navigation Conference, the California Water Commission, and representatives of California water districts, flood control districts, ports and local governments. I urge you to give very careful consideration to the requests these Californians will be making for funding. Any assistance you can give will be deeply appreciated not only by the fine people who are here today, but by the entire State of California.

Thank you.

STATEMENT OF REPRESENTATIVE LEON E. PANETTA OF CALIFORNIA

Mr. Chairman: I appreciate this opportunity to present testimony on behalf of water and harbor projects of interest to my constituents in the 16th District of California. In my testimony, I will highlight projects of particular concern to my District. Some of these projects have not been included in the Administration's 1983 budget request. Others for which funding has been requested are in jeopardy of losing their funds due to the Administration's most recent attempt to reduce funding for these projects even further.

In the Corps of Engineers' budget request for 1983, the Corps made no requests for the rock revetment and harbor dredging projects in Morro Bay Harbor. In 1981, over $600,000 was appropriated for the rock revetment project, but all but a small portion of those funds were diverted by the Corps and used on other projects. In January of 1981, I received assurances from the Corps that the remaining funds appropriated to this project would be used to complete the design work on the proposed revetment, and that construction on the revetment would begin as soon as practicable. With no funding in 1983, however, the necessary construction work on the revetment cannot be completed.

The present revetment structure along the shoreline of Morro Bay is slipping. This includes slippage under buildings where the shoreline is developed. Maintenance is required to strengthen the existing revetment and add important structural support to the land near the shore. Further postponement of funding for the revetment project will exacerbate the existing problem to serious levels in the future. I therefore am requesting the committee's support for an amount of $600,000 for completion of the revetment project in 1983.

The channel in Morro Bay Harbor is also in need of dredging in 1983. Morro Bay Harbor has not been dredged since 1980. Postponement of dredging an additional year will have serious safety and economic effects. The natural flushing action of harbor waters is not sufficient to maintain an entrance depth deep enough to prevent breaking seas across the entrance to the harbor during all but the mildest of storms. The harbor entrance, unofficially designated as one of the most hazardous on the west coast, is already responsible for numerous boating accidents and tragic deaths. The inevitable shoaling which would result if dredging were postponed would prevent large vessels from navigating in the harbor and would greatly increase the hazard to small boats entering or leaving the harbor.

In addition, the commercial fishing industry in Morro Bay, and also the fishing support and tourist industry, would suffer seriously. The City of Morro Bay has anticipated economic losses of several million dollars if dredging is not conducted in 1983. Dredging costs for 1983 are estimated to be $1.4 million. I strongly urge the committee's support of this project.

Another dredging project of concern to my District is Santa Cruz Harbor. The Corps requested $306,000 for this project in its budget for 1983. Funding for the project is being reconsidered, however, and may be cut by the Corps in an effort by the Administration to further reduce its budget. The severe shoaling that has occurred in Santa Cruz Harbor, particularly in the winter months, has created a serious need for dredging in 1983. The San Francisco District Corps of Engineers has stated that it has a capability of $739,000 for dredging Santa Cruz Habor. I urge the committee to consider funding this project at the amount, or at least at an amount equal to the Corps' original budget request of $306,000.

Another project of importance in Santa Cruz Harbor is the project to seal the west jetty. The jetty is a significant contributor to the shoaling problem in the harbor. Sealing the jetty would provide substantial long-term cost savings by reducing future dredging costs by about 20 to 30%. It has been estimated that in 3 to 5 years, the project would pay for itself. The Corps' capability for this project is $454,000. I urge the committee to support the funding necessary for this cost-efficient project.

Another project for which the Corps is reconsidering its 1983 funding request is the bioassay project in Moss Landing Harbor. Although there is no immediate need for dredging of the harbor in 1983, funding is necessary to complete the bioassay to assess dredging needs in the future. Moss Landing has a very important commercial fishing industry, having a commercial catch valued at about $22 million. I encourage the committee's support of the funding of the Moss Landing bioassay project at $59,000 as requested in the Corps' 1983 budget.

While I recognize that a fundamental objective of the Administration's 1983 budget is to turn over funding responsibilities for operation and maintenance of port and harbor facilities to local and state governments and users of port facilities, it would be highly unfair to turn this burden over to state and local entities in one fell swoop. I urge the committee to consider a more graduated approach to reducing federal funding levels for these projects providing for increased cuts, over the next two or three years. In this way, the state and local authorities can assume responsibility for these projects without endangering the vitality and safety of ports and harbors that have been dependent on this funding in the past.

Another Corps of Engineers project of great importance to the residents in my district are the flood control studies being conducted in San Luis Obispo County. Although these studies received no funding in 1982, the District Corps has requested that $25,000 be transferred into the project because of the very serious threat to future flooding. Floods in San Luis Obispo in 1978 and 1973 caused several million dollars of damage in the area. The Corps has indicated a desire to continue the studies in 1983 and has indicated a capability of $300,000 for 1983. I would urge the committee to reconsider funding this important project which could save millions of dollars in the event of future floods.

Finally, I would also like to request the committee's support for the Bureau of Reclamation's funding request of $38,178,000 for the San Felipe Division of the Central Valley Project. The water which will be conveyed by this system is critical to maintaining existing agricultural land in production. Depletion of local water tables and the contamination of existing supplies by high mineral content has resulted in the loss of productive agricultural lands. This project will eventually restore many acres to production and will additionally avert future losses in the fertile central valley of California.

HANSEN DAM, CALIF.

STATEMENT OF HON. BOBBI FIEDLER, U.S. CONGRESSWOMAN FROM CALIFORNIA

Senator JOHNSTON. Did you have anything else, Senator Hayakawa, before I recognize Representative Fiedler, did you have anything else you wanted to add?

Senator HAYAKAWA. I just want to thank you very much for your last remarks.

Senator JOHNSTON. Thank you.

Senator HAYAKAWA. The problem is urgent and I am grateful that you recognize the urgency.

Senator JOHNSTON. I hope we will be giving you everything you have asked for, and we will try to add a few bucks to the budget.

I am very pleased to welcome to the committee our colleague from the House, Bobbi Fiedler. We are delighted to have you, Representative Fiedler.

Mr. FIEDLER. Thank you very much.

Senator, first of all I want to thank you very much for your time here, and I will try to be as brief as possible.

Last year I came here with a request regarding the Hansen Dam and we felt that a picture would help to show you the basic problem we have. It needs to be dredged, and we asked for some funds to start a study to evaluate the cost-effective way to accomplish this.

This is the way it is today, and the next picture shows you the way it has been in the past, and we hope it will be in the future. There has been a $250,000 amount put in by the Corps to get a portion of this study, and we are here to support that particular funding level in asking the committee to seriously consider continuation of the funding.

That is all I have to say; I just hope that you will consider this important project that services the Los Angeles area which is very important to that area.

Senator JOHNSTON. Thank you very much, Representative Fiedler. We are aware of the great need of Hansen Dam and the need in the Los Angeles area for water.

Mr. FIEDLER. I would like to ask, Senator, that my statement be inserted into the record.

Senator JOHNSTON. Your entire statement will be inserted into the record at this point.

[The statement follows:]

STATEMENT OF CONGRESSWOMAN BOBBI FIEDLER OF CALIFORNIA

Mr. Chairman, Members of the Committee, as a member of Congress I appreciate this opportunity to address your committee in support of the California Water Commission's request for Congressional appropriations in fiscal year 1983 which are needed to further progress the Hansen Dam Planning study now underway.

Last year, I testified before your prestigious committee to brief you on the deteriorating conditions that exist at Hansen Dam, which is located in the City of Los Angeles. As you recall, the reservoir behind the dam (photograph attached) has been filling up with gravel, sand and silt which has been washed downstream from the nearby San Gabriel mountains as a result of fire-related erosion. This has caused great concern in the local community, and is of concern to the U.S. Army Corps of Engineers (Corps), because the accumulation of silt is decreasing the storage space required to safely regulate the designed flood. Moreover, its past use as a water recreational facility for the community and its use for water supply/water conservation has been virtually eliminated. In recognition of this problem and a call for action, resolutions were adopted in 1981 by the California Senate and Assembly, the California Water Commission, the Los Angeles County Board of Supervisors and the City of Los Angeles.

To attack this problem, we recommended last year that the Corps be provided $500,000 to initiate and complete a separate study on Hansen Dam in fiscal year 1982. Perhaps, we were optimistic, however our justification for the request and our urgency to address a severe problem remain unaltered. Congress responded to this appeal as follows:

> "Los Angeles County Drainage Area Review, California (Hansen Dam). The Committee recognizes that the Corps, in cooperation with the City and County of Los Angeles, has been operating Hansen Dam in such a manner that releases from the reservoir could be utilized by local interests for groundwater recharging below the dam although the dam was originally constructed as a single purpose flood control project. Since sediment has now reduced the original flood control storage capacity by almost 20 percent, the project can no longer be operated safely for cooperative water conservation. Therefore, within the funds provided for the Los Angeles County Drainage Area Review study, at least $100,000 is to be used to initiate a separate interim report which will investigate the feasibility of adding water conservation, expanding recreation and studying flood control problems at Hansen Dam."1/

We are appreciative of the Congress to acknowledge the problem and to take this initial action.

The Los Angeles County Drainage Area (LACDA) Review study, scheduled for completion in 1987, is a multi-year reevaluation to determine the amount of urban development as it affects flood runoff, channel capacities, and reservoir and operational problems. Hansen Dam has now been singled out of that program and the assessment will be done more quickly than the rest of the program. The LACDA program for fiscal year 1982 was provided $500,000. According to the Corps, of that amount $180,000 will be committed to the Hansen Dam study, scheduled for completion in September 1984.

In the President's budget for fiscal year 1983, the Corps has included $350,000 to continue the LACDA study program. According to the Corps, of this amount at least $250,000 is to be used to progress the Hansen Dam study. The California Water Commission, the Los Angeles County Board of Supervisors and the City of Los Angeles urge your committee's

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1/ Energy and Water Development Appropriation Bill, 1982 Committee Report No. 97-177, page 22.

approval of these funds. I am also in full agreement with this recommendation.

I would like to provide the Committee with a brief status report of the Hansen Dam study. At this time last year, I reported to you that the Corps was proceeding with a $10,000-$15,000 reconnaissance study limited to examining viable alternatives, under it primary existing authorization, for restoring the reservoir's flood control capacity. The report was finalized in June 1981. We need to follow a plan of action which is based on the identification of numerous alternatives for making Hansen Dam a multiple purpose facility which consider all three project purposes as equally important components in an integrated manner, including the preparation of comparative cost estimates. First, the Corps must fully study the current problems such as the loss of water supply to meet Los Angeles' water needs to the very local problem such as ensuring that sediment does not harm local sewer systems. The next step is to identify, analyze, and evaluate potential alternative solutions to the problems which consider engineering, economic, social and environmental factors. The final step is to recommend a solution in the best overall public interest--balancing the factors mentioned above and public acceptability.

In last year's proceedings, the Corps reported the following:

> "Subsequent to the 1980 floods, and further reduction of the reservoir's capacity resulting from deposition of additional large amounts of sediment, the Corps of Engineers determined that it could no longer safely continue to operate the project in the manner that had been customary prior to 1980."[2]

If it is the opinion of the Corps that the margin of safety for flood control operation has been significantly reduced, then I would strongly urge that the Corps accelerate the study for completion sooner than the present completion date of September 1984. The Corps is in the best position to weigh this deficient margin of safety and the degree of impending threat to public welfare if we experience even a more severe storm flood as the one in 1978. I am concerned that if we wait too long, then we may jeopardize the long-range solution.

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[2] Energy and Water Development Appropriations for 1982, Hearings Before a Subcommittee of the Committee on Appropriations 97th Congress, First Session,pg. 2440.

Since last year, we have had several meetings with the Los Angeles District Corps of Engineers which were attended by representatives of various public agencies and community organizations. The general plan of action described above must be complemented by active public involvement. I appreciate the excellent cooperation that the Corps has extended to all the parties involved and I look forward to working with the Corps in arriving at the most reasonable, cost-effective solution.

In closing, Mr. Chairman, I want to thank you and members of your Committee for your considerations and responsiveness to this problem, as well as the water and energy needs in the State of California.

PREPARED STATEMENT OF DON CLAUSEN OF CALIFORNIA

Senator JOHNSTON. I also want to make part of the record the prepared statement of Congressman Don Clausen, who is the ranking member of the House Public Works Committee, the authorizing committee.

[The statement follows:]

STATEMENT OF REPRESENTATIVE DON H. CLAUSEN OF CALIFORNIA

Mr. Chairman, Members of the Committee:

Thanks for giving me the time to share with you the needs for civil works project funding in California's 2nd District.

Many years experience with the outstanding work of this Committee assure all of us your decisions will be fair and in the best interest of the Nation and all of our people.

In this period of fiscal constraints and limited resources, we are extremely lucky that such outstanding leaders are developing the bipartisan consensus needed to handle a tough job well.

With your permission I will highlight this statement and submit the full text for the record.

Each of these requests is critically important to the economy of the affected community; each community suffers unemployment ranging from 10+% to 26+%. Each is a capital infrastructure project which sustains local economic activity and promotes economic growth.

I urge you to adopt the Corps of Engineers requests, and appropriate these additional sums for:

Crescent City Harbor Operation & Maintenance	$811,000
Dry Creek (Warm Springs) Lake and Channel Construction	$15,900,000
Noyo River and Harbor Operation & Maintenance	$381,000
Bodega Bay Construction (new start)	$2,570,000

Crescent City is a viable harbor for commercial transport and fishing only as long as it enjoys the protection from the open sea afforded by this breakwater. Repair is periodically necessitated by damage occuring during particularly heavy winter storms, such as occurred in 1979, which severely erode the structure. As with most such erosion, the damage is cumulative. Each episode of heavy wave action is made more damaging as a result of neglect of previous damage. It is only a question of time until the structure fails -- probably in the face of particularly heavy seas.

It is a harbor of refuge and has a Coast Guard Search and Rescue Station. The harbor serves as a major commercial freight and petroleum products terminal for Del Norte County which must otherwise rely on truck transport over winding mountainous two lane highways.

The County is severly depressed economically with unemployment estimated at 27%. Principal employment opportunity is in the severely depressed forest products industries.

County income has dropped drastically while welfare expenditures have increased 90%. The County faces a 15% deficit in meeting its barebones FY 83 budget of $10,000,000.

There are 300 berths for commercial boats and 527 berths for smaller fishing boats. There is one boat building firm and four fish buying and processing firms, along with three restaurants, fuel docks and ocean terminals handling 1,908,000 barrels annually. An estimated $44,180,625 of cargo moved through the port in 1979.

A continuing construction contract to complete repairs to the West Breakwater was awarded on November 20, 1981 with contract completion scheduled for December of 1982. The $811,000 programmed for fiscal year 1983 is for completion of the repair contract. If the funds are reduced from the project, the contract will be terminated and damages to the structure sustained during the previous winter storms will not be repaired. Such action will result in further erosion to the structure and possible structural failure. If the breakwater structure fails, severe damage will result to commercial facilities and boats within the harbor.

Dry Creek (Warm Springs) Lake and Channel in Sonoma County is exhaustively reviewed in testimony which will be offered by my constituent, Robert F. Beach, General Manager of the Sonoma County Water Agency who has traveled here today to explain the vital importance of completion of this $315 million project which will serve one million people in a 3 county area.

I proudly associate myself with the gentleman's remarks and compliment his outstanding scholarship in preparing an exhaustive history of the project from its inception prior to my election to Congress.

Several points deserve your attention:

1. The project has already been funded at the level of $230 million.
2. The local share of the completed project is about $95 million.
3. Repayment of the local share does not begin until roads are relocated and the project is certified as operational for water supply.
4. Accordingly the Federal Government is paying interest at current rates on $45 million - undoubtedly more than $12 million in FY 82 alone.
5. The flood control potential of the dam is of major importance as evidenced by its function in the severe storms in January. The existing structure contained several feet of flood water, which is estimated to have reduced flood damage in the watershed by at least $1.5 million.

The dredging of Noyo Harbor and River is critically important to navigation and safety, especially small craft, along a 200 mile stretch of northern California coastline. It is equally important to the economy of the County, which currently has an unemployment rate of 21%. This cut will result in elimination of another 1,553 jobs.

Last year this operation and maintenance allowance moved through the total funding cycle unchanged at $436,000. The Corps of Engineers projected a need of $381,000 for FY 83 - itself a deflator adjusted reduction of 20%.

The subsequent decision to zero operation and maintenance allowances for any port with a draft of 10 feet or less was applied to Noyo.

The north coast of California is as noted internationally for its turbulent waters and dangerous navigation for small craft as it is for towering cliffs and open seas which cause them. Situated as it is where the usual path of Pacific weather systems crosses the western continental shoreline, it is subject to numerous, often unpredictable, and violent small storms.

The pristine majesty of the coast attracts literally hundreds of thousands of recreational small craft. The abudnance of its fisheries brings vast fleets of commercial fishing vessels to the area.

Noyo is the only harbor of refuge between Humboldt and Bodega Bays, a distance of 200 miles. The U.S. Coast Guard Search & Rescue Mission (USCG Point Ledge) is stationed in the harbor.

If the appropriate maintenance dredging is not performed as scheduled, the Coast Guard search & rescue cutter Point Ledge will be restricted in its movement except on high tides. Vessels in trouble or caught in unexpected storms will no longer be able to use the harbor for refuge.

The harbor will be closed to all commercial vessels within two years if maintenance dredging is not performed.

Six hundred commercial fishing boats use the harbor on a daily basis during the salmon season. Thirty to thirty-five drag boats and 25 crab boats operate around the year. The 20 million pounds annual catch by itself at wholesale conservatively projected generates $2.2 million in Federal revenues.

There are 11 fish buying firms, seven fish processing firms, seven boat-building firms and five boat chandlers as well as four ice plants and two fueldocks, which generate Federal revenues most probably of as great or greater magnitude.

Six restaurants cater to both the fishing industries and the many visitors who come solely for the excellent seafood and, of course, residents from the surrounding area.

One hundred and sixty fishing boats which call Noyo Harbor homeport are financed by Production Credit Association (Federal Intermediate Bank). The owners may well default on these Federal loans due to lack of maintenance dredging.

Assuming an average loan at 50% of the market value, the Federal exposure on these loans alone is on the order of $16 million.

In short, this "savings" of $361,000 will probably result in a net annual loss of a minimum of $4.1 million in federal revenues, local revenue of an unknown amount, default on known Federal loans in the range of twenty times the "savings" and an unknown level of default on other direct or federally guaranteed commercial and residual loans, the repayment of which depends to a large degree on income earned from the fishing industry.

The Spud Point Marina project on Bodega Bay has moved through the planning cycle since 1973. It was conceived as a multipurpose multijurisdictional project to stimulate economic development in the western area of Sonoma County.

Bodega Bay is located in Sonoma County on the California coast about 58 miles north of San Francisco Bay, California. The harbor is a triangular-shaped inner bay separated from Bodega Bay proper by Doran Beach sandspit. A jettied entrance channel 100 feet wide and 12 feet deep provides access to the harbor channels and turning basins. Proposed harbor improvements consist of general navigation facilities in the Spud Point area on the west side of the harbor. Federal construction would consist of a dredged channel (1,960 feet x 100 feet x 12 feet) connecting with the existing entrance channel and a sheet pile breakwater 1,306 feet long, near Spud Point. A marina and attendant facilities for about 238 boats would be constructed by local interests with Economic Development Administration and State funds.

Current estimates of the cost of the completed project are $10.5 million The cost of Federal construction (about 46% of the project) is $4,570,000, of which $2 million would be contributed by non-Federal sources, of which $1.35 million or 34.5% is cash.

To date, Federal funds in the amount of $584,000 have been appropriated to produce the plans and specifications which are in the final stages of completion.

The sponsoring agency - Sonoma Regional Parks - and the State of California have both spent substantial sums on their respective planning responsibilities preliminary to construction, which was scheduled to begin in FY 83 as a new start pursuant to the 10 year old cost sharing plan.

In the spring of this year, the decision was made to increase the local share of Federal construction from the long established 34.5% to 58.7% requiring an additional local contribution of $681,000 , thus reducing the total Federal contribution from $2,570,000 to $1,089,000.

Both Sonoma County and the State of California are experiencing severe fiscal constraints. Estimated unemployment in Sonoma ranges between 10 and 11%, significantly higher than the national average.

The project would create short term employment during construction. It would also facilitate development of the fishing industry, boating, its attendant service industries and tourism, with the creation of employment opportunity for those in the Bodega Bay area.

CALIFORNIA NAVIGATION PROJECTS

Senator JOHNSTON. Next, we are pleased to welcome to the committee somebody who has testified for each of the last 24 years, I think, Mr. Robert Langner, who is coordinator of this group. We are pleased to recognize you, and you may introduce your other members. Mr. Langner is executive director of the Marine Affairs and Navigation Conference of California.

Mr. LANGNER. Thank you, Mr. Chairman.

In listening to your remarks here, I don't think there is any point in my enlarging much on the testimony, because you made most of the essential points, and your philosophies are exactly the same as ours.

This morning we have a number of witnesses, starting with Congressman Shumway.

STATEMENT OF HON. NORMAN D. SHUMWAY, U.S. REPRESENTATIVE FROM CALIFORNIA

Mr. SHUMWAY. Thank you, I am delighted to be here to express just a few words on behalf of some very important projects in my district in California. I recognize the committee is first hearing the testimony on behalf of ports and, second, on behalf of water projects in general. My remarks would be addressed to both areas, and I would ask that the full text of my statement be made part of the committee's record.

Mr. Chairman, I do support the President's fiscal year 1983 program in general and the Army Corps of Engineers' and Bureau of Reclamation's budget request in particular, and I have some itemized details regarding those, and I submit them to the committee for its further consideration. But in the few minutes we have before I end my remarks, I would like to introduce those members of governmental entities from my district who have come back here today for the purpose of testifying before this subcommittee, some who will be heard.

INTRODUCTION OF SUPPORTING WITNESSES

I have in the audience representing the San Joaquin Port of Supervisors, Mr. George Barber and Mrs. Evelyn Costa; and the county administrator, C. E. Dixon; also Gerald Sherwin, county counsel, and Arnold Rue, mayor of Stockton; Ralph Lee White, city councilman; and Mr. Alex. Krygsman, director, Port of Stockton; and finally, the commissioner of the Port of Stockton, Mr. O. Budd Kleinfeld.

With that I will submit my statement and I appreciate the committee's consideration.

Senator JOHNSTON. Thank you. We are familiar with your very, very rich country. I have been through there the last 2 years as a matter of fact, right in the middle of the growing season, which I guess is 12 months out of the year; but it is a lovely area, and I am glad you are supporting the President's budget, except that we are going to need more money than what is proposed in the President's budget. So it is impressive and important for groups like this to come up to Washington. But 90 percent of the good you can do is by seeing your Congressmen and convey to them the importance of these water projects, because there are competing priorities, you know. Water projects are not the only priority up here, and we need to constantly remind ourselves how important these projects are to the agriculture base, the trade base, and all the other functions of the United States.

Thank you very much, Congressman Shumway.

Mr. **Shumway.** Thank you, Senator.

Senator **Johnston.** Your statement will be made a part of the record.

[The statement follows:]

STATEMENT OF REPRESENTATIVE NORMAN D. SHUMWAY OF CALIFORNIA

Mr. Chairman and Members of the Subcommittee, I am pleased to have the opportunity to testify in support of a number of public works projects which are vital to my Congressional District and the State of California. I wish to commend the Subcommittee for its willingness to hear what we Californians have to say and for its thoughtful consideration of our budget requests.

Mr. Chairman, I am pleased to support the President's FY83 program in general and the Army Corps of Engineers and Bureau of Reclamation's budget request in particular. Even though my District stands to lose approximately $10 million in appropriations for energy and water, it is imperative that we continue to reduce growth in Federal spending levels. It is only in the achievement of this goal that we can look forward to a prosperous economy once again.

I do not want to understate, however, the importance of water projects in my District. As you know, California's 14th Congressional District consists of nine counties -- an area which includes a large portion of the Central Valley, the Mother Lode country, and the Sierra Nevada mountains. From this diverse region flows a substantial portion of the Federal Central Valley Project's water yield. In order that this water can be used most effectively for agricultural, recreational, environmental, and municipal and industrial purposes, it is incumbent upon Congress to assure the construction and maintenance of requisite water storage facilities and conveyance systems.

We also have a special responsibility to provide for flood control measures to mitigate damages to our agricultural and residential communities. The central California devastation wrought by the winter storm of last January is an especially poignant reminder of our responsibility in this area.

The FY83 budget proposals which I am advocating today are both responsible and essential for these public works projects.

I recommend the following:

ARMY CORPS OF ENGINEERS

1) New Melones Lake -- $5,500,000

With this appropriation, the Corps expects to have the funds necessary to complete their land acquisition program intended for the cultural preservation of the reservoir and maintenance of the riparian habitat downstream from the dam.

I join with the City of Stockton, the County of San Joaquin, and the California Water Commission in supporting the President's budget request for this program.

2) San Francisco Bay to Stockton Ship Channel Project -- $4,000,000

This project will deepen the channel to a debth of 35 feet. In doing so, the Port of Stockton will be able to handle much larger ships with capacities of about 40,000 tons, compared to the 17,000-ton limit now. This project, expected to take about three years to complete, presumably will eliminate the necessity for "topping off" facilities at San Francisco and other places at which ships with capacities larger than the 17,000 ton limit complete their loads of grain.

Local Corps officials have decided to begin work on this project sometime during this calendar year. It would be a significant waste of time and money if, having begun this project, Congress refused to appropriate the necessary funds to continue the work.

For these reasons, I join with the Port of Stockton, the County of San Joaquin, the City of Stockton, and the California Water Commission in supporting the President's request of $4,000,000 for this project.

3) San Joaquin River Basin Studies -- $994,000

This project will entail flood damage prevention studies for specified urban and agricultural areas. Of special interest to my district are survey studies intended for the Cosumnes River -- an area that was inundated with floodwaters last January. I am also pleased to note that the Little John Creek Area has been marked for further work, especially in and around the vicinity of the Farmington Dam.

I join with the County of San Joaquin and the City of Stockton in supporting the President's budget request for these important studies.

4) Aquatic Plant Control Program -- $4,500,000

This program is currently conducting research on methods of controlling the growth and spread of the water hyacinth -- a plant that has literally immobilized vast reaches of the San Joaquin/Sacramento Delta. To date, the Corps has been very helpful in responding to this problem. The only major constraint that they are faced with in implementing a hyacinth control program is the lack of necessary financing.

The President's FY83 budget provides for these funds, and I therefore join the Port of Stockton in supporting this requst.

5) Operation and Maintenance

I fully support the FY83 budget requests of the Army Corps of Engineers for the operation and maintenance of the following projects:

a) Farmington Dam	$125,000
b) New Hogan Lake	$905,000
c) New Melones Lake	$450,000
d) San Joaquin River	$2,700,000

BUREAU OF RECLAMATION

1) Auburn-Folsom South Unit -- $5,000,000

The Auburn Dam request for this year includes $3.3 million that will be used to complete construction of the Sugar Pine Reservoir recreation facility. The remaining funds would be used to maintain current Bureau operations in the Auburn area.

As you know, the construction of this dam has been delayed over the years for various reasons. As a consequence of these delays, the estimated construction costs for the project have exceeded the limitations set in the original authorization. Therefore, Congressional reauthorization of the Auburn Dam is required before design and construction can proceeds.

However, before we get to the point of reauthorization, the cost/benefit analysis and Lower American River studies must be completed. It is my understanding that these studies will be completed by the end of this calendar year. If any delays in this time frame are encountered due to inadequate financing, I would urge that necessary funds be reallocated within the Bureau to complete this important work.

Furthermore, upon the completion of the Lower American River studies, I would urge that the Bureau proceed as expeditiously as possible with the design and construction of the Folsom-South Canal. In San Joaquin County -- the area to be serviced by this canal -- groundwater tables are dropping rapidly. Over the last twenty years, the water level in the pumping wells has dropped approximately 30 feet. Without the water to be supplied to this region by the Folsom-South Canal, problems of salinity intrusion and land subsidence will continue to multiply.

2) Delta Support Studies -- $350,000

I am pleased to support the President's request of $350,000 for this project. It is my understanding that an additional $300,000 will be funded from the Bureau's Construction and Operations & Maintenance accounts. This total appropriation of $650,000 will allow the Bureau of Reclamation to meet its responsibilities in the Sacramento/San Joaquin Delta.

3) General Investigations

I support the President's request for the following investigations:

a) CVP Fish and Wildlife Managment Study	$400,000
b) Central California-Nevada Wind Energy Study	$350,000
c) Environmental and Interagency Coordination Activities Mid-Pacific Region	$697,000
d) Technical Assistance to States Mid-Pacific Region	$30,000
e) Enlarged Shasta Lake Investigation	$1,070,000

4) Operation and Maintenance

I endorse the President's request of $33,897,000 for the operation and maintenance of the Federal Central Valley Project.

PORT OF STOCKTON, CALIF.

STATEMENT OF ALEXANDER KRYGSMAN, PORT DIRECTOR, PORT OF STOCKTON

Mr. LANGNER. Our next speaker will be Mr. Krygsman.

Mr. KRYGSMAN. Mr. Chairman, my name is Alexander Krygsman. Not only did I go to see my Congressman, I brought him with me.

The comments you made earlier made it clear you have an understanding of the importance of channels and ports, so I will not read my whole statement; I will ask that it be placed in the record.

I do want to quickly make one or two points. The Port of Stockton as an authorized project, was authorized in 1965 and a commitment made to deepen the channel. The port's construction started in 1971; it is an ongoing project. We would ask for funding to make capabilities of the Corps of Engineers and the budget.

Second, the San Joaquin Delta is plagued by water hyacinths. We would ask that the appropriations be increased from $3.3 million to $4.5 million to control this pest plant. This is attached to our testimony and I have attached a copy of a magazine that describes this water hyacinth.

Another point I would like to make, the last point and maybe the first, ports that are being competitive—I would like to go on record, the Port of Stockton does support the deepening of the channel to the Port of Sacramento.

Mr. Chairman, thank you very much. I would ask that my statement be included in the record.

Senator JOHNSTON. It will be included in the record at this point, Mr. Krygsman, and thank you very much for your testimony.

[The statement follows:]

STATEMENT OF ALEXANDER KRYGSMAN, PORT DIRECTOR, PORT OF STOCKTON, CALIF.

I am Alexander Krygsman, port director of the Port of Stockton, Calif.

The Port of Stockton deepwater channel deepening has been authorized since 1965.

The Port of Stockton is primarily a bulk port that serves industry and agriculture in the San Joaquin Valley in California and the bulk imports and exports of the Western States, including the coal areas of these States.

The Port of Stockton recognized as far back as 1952 that deeper channels would be needed for the movements of bulk cargoes, including coal, but not limited to coal. Grain, fertilizers, and many other bulk materials have the same requirements and need deeper channels as much as does the movement of coal.

We need ports that can handle larger, more economical, and more fuel-efficient vessels close to the production areas, both agricultural and industrial, to conserve energy.

The Port of Stockton is such a port. However, it needs its channel deepened in order to remain viable and to adequately serve our Nation and California's needs.

The savings in energy consumption alone are well worth doing this project.

This is a project that deserves to be funded as it was authorized 17 years ago. The project will enhance industrial and agricultural productivity, will save energy, increase export capabilities, and that will improve the Nation's balance of payments.

Mr. Chairman, this Nation needs to increase productivity, needs to conserve energy, and needs to increase exports. We need to use our available funds to improve productivity and we need to improve our maritime capabilities—and that includes ports.

Funding of this project is an investment that brings generous returns and will be anti-inflationary.

The Stockton channel deepening project has overwhelming public support. At the public hearing, 108 expressions were presented in favor of this project and none against. The city of Stockton supports it, San Joaquin County supports it, neighboring cities and counties support it, and the State of California supports it.

The Port of Stockton has bulk export docks that handle grain, coal, coke, clay, fertilizers, sulfur, and other bulk exports, but deeper water is urgently needed, especially for fertilizers, grain, and coal.

A deepened channel will also greatly benefit industrial expansion. Two industrial production plants were built in Stockton recently by major Japanese firms. Both of these firms listed a deepwater port as a primary consideration to build an industrial plant in the Stockton, Calif., area.

Our Nation and our State need expansion of up-to-date industrial plants and the jobs that expansion creates and needs ports that can handle deep-draft bulk vessels to move the raw materials to enable production to be done in this country rather than import the finished foreign products, ports that can handle bulk vessels that can carry coal, agricultural products, and other products that we export to help our balance of payments. The Stockton channel deepening project has already been delayed too lon[illegible] deserves to be funded now.

We urge you to appropriate $4 million to fund continued construction for fiscal years 1982 and 1983.

I also wish to add support for an increase in the appropriation for aquatic plant control from $3.3 million to $4.5 million. The San Joaquin Delta is being choked by water hyacinths, and from experience in other areas it is known that delaying control will only make it more expensive. The State of California will make State funds available and designate a responsible State agency.

The Corps of Engineers has the expertise to deal with this problem and we strongly urge that they are provided the funds to effectively control these aquatic plant pests.

WILDCAT AND SAN PABLO CREEKS, CALIF.

STATEMENT OF THOMAS POWERS, SUPERVISOR, CONTRA COSTA COUNTY, CALIF.

Mr. LANGNER. We have also this afternoon, Mr. Chairman, Supervisor Tom Powers from Contra Costa County.

Mr. POWERS. Thank you, Mr. Chairman, for allowing me to testify here today.

I do support the navigation project recommended to you by the California Marine Affairs Navigation Conference, and I have a concern also with the water project in California, and particularly in the county, which is a flood control project, called Wildcat Creek, a project that has been going on for some 18 years.

Three years ago the construction for that project was funded both by Congress and the President. Unfortunately, the local property owners were unwilling to support the local funding share.

Myself and many dedicated residents of this agricultural and residential area went back to the drawing boards and reduced the size of the project, and we were able to get, I am proud to say, signatures from 54 percent of the landowners willing to participate with their local share.

Also, the county is willing to put in substantial amounts of money, the State of California is willing to put in a substantial amount of money, and to put it bluntly, we are ready to go with a project that, in an area that floods almost every other year, serious flooding—January 4 of this year was one of the serious incidents.

The project was recommended to you also by the California Water Commission who will be testifying later. I would commend this as a critically important project, and I appreciate your comments about the need for flood control projects.

I would like to introduce Mr. Paul Hughey who has submitted a statement for the record.

Thank you so much.

Senator JOHNSTON. Thank you, Supervisor Powers.

[The statement follows:]

STATEMENT OF PAUL F. HUGHEY, GENERAL MANAGER, CONTRA COSTA COUNTY (CALIF.) DEVELOPMENT ASSOCIATION

SUMMARY

Project	Requested Amount Fiscal Year 1983	
San Francisco Bay to Stockton Ship Channel	$4,000,000	1) Continue Construction of Stockton Channel;
		2) Continue preparation of draft GDM and EIS for Richmond Reach;
(John F. Baldwin and Stockton Ship Channels)		3) Continue hydrological studies of hydraulic salinity barrier for Baldwin Channel

March 25, 1982

My name is Paul F. Hughey. I am General Manager of the Contra Costa County Development Association, an official Economic Development Agency of Contra Costa County, California.

My organization would like to express our appreciation for the continued appropriations the Committee has provided to enable proper planning, design and a limited amount of construction for the San Francisco Bay to Stockton Ship Channel improvement project. This very important improvement is vital to the long range economic viability of the large area it serves. We also greatly appreciate the manner in which the Corps of Engineers is carefully considering the environmental impact of this project within the guidelines provided by the Congress. We approve of the careful analysis of environmental, economic and social factors as they relate to this project and we will cooperate fully in providing any information or assistance the Corps may require to enable proper judgement on initiating further phases of construction.

Background

The Development Association filed a brief with the Corps of Engineers in 1958, requesting a study of the feasibility of improving the main shipping channel between San Francisco Bay and the Port of Stockton. As a result, the study was funded by the Congress under an appropriation sponsored by the late Congressman John F. Baldwin. This project, described in House Document No. 208 of the 89th Congress, 1st Session, was approved by the Congress in September 1965. As a part of this project, the San Francisco Bar has been deepened from 50' to 55' and the main shipping channel into San Francisco widened. Some minor additional construction was also provided near the Port of Richmond and on the levee system of the upper San Joaquin River. For the past few years, the Corps has been engaged in studies to enable it to prepare the General Design Memorandums and the Environmental Impact Statements required by law.

In order to expedite work on portions of this overall project, the project has been divided into five phases or sections. Commencing at the entrance to San Francisco Bay, Phase 1, the widening and deepening of the San Francisco Bar to 55' has been completed.

Phase 2 consists of deepening the West Richmond Channel from 35' to 45' for a distance of approximately three miles to connect the naturally deep waters of San Francisco Bay and West San Pablo Bay. The corps is continuing preparation of the Draft GDM and EIS for this phase scheduled to be completed by October, 1982. The State of California, Congressman George Miller, the Contra Costa County Board of Supervisors, and local interests all support this phase of the overall project and it should proceed expeditiously. It will provide the needed deeper channel for the Port of Richmond which has placed its first container berth in operation, provide a better approach to the Chevron, USA, Richmond Refinery wharf, and provide a needed deeper channel for the U. S. Naval Fuel Supply Depot at Point Molate, near Richmond, and the bulk liquid facilities of the Port of Richmond at Point San Pablo. It is expected that construction funds for this phase will be requested in FY84.

Phase 3 and 4 consists of deepening the existing 36' channel through San Pablo Bay and lower Suisun Bay 35' Channel to 45'. Corps model studies indicate that this phase will induce an increase in salinity levels in the Delta. Therefore, the Corps is continuing engineering and model studies on various types of underwater salinity barriers or sills in the Carquinez Strait to mitigate the effects of the project.

Phase 5 consists of deepening the Stockton Channel and upper Suisun Bay Channel from the existing 30' to 35' from Point Edith, upstream of Martinez, to the Port of Stockton. Bids will be called for about October 4, 1982 to commence construction of this phase.

The Economy

The San Francisco Bay is known throughout the world as one of the world's great harbors. In 1978, the latest year for which Corps of Engineers figures are available, some 56 million tons of cargo passed through the Golden Gate. Almost two-thirds of this total passed over the public and private docks of Contra Costa County and the Port of Benicia in adjacent Solano County via the existing John F. Baldwin Ship Channel.

All six of the petroleum refineries in Northern California, representing some 800,000 barrels per day of throughput, lie on this channel. Also on this channel is the world's largest sugar refinery, C&H at Crockett, importing almost 1 million tons of sugar each year, steel plants, chemical plants, paper mills, a gypsum plant, expanding general cargo facilities, and electric power generating plants of the Pacific Gas and Electric Company which are partially dependent upon shipment of fuel oil. Two power plants alone represent some 30% of all the electric generating capacity in Northern and Central California.

Also served by this channel are three important naval installations; the Naval Fuel Supply Depot at Point Molate, near Richmond; the U. S. Naval Shipyard (a Nuclear Submarine Facility) at Mare Island, Vallejo; and the U. S. Naval Weapons Station at Concord which is shifting to containerization which will require a deeper channel. The importance of a safe and adequate shipping channel to our Navy is obvious. It might be noted that the Corps does not include national defense installations in computing the cost-benefit ratio of projects.

Mr. Chairman, given the present serious energy problems, balance of payments, and inflationary economic situation, it would seem obvious that everything possible should be done to reduce transportation costs, improve efficiency, and minimize environmental impacts.

In 1979, some 1,200 tankers entered San Francisco Bay. Over 250 of these vessels had a draft of 35' or more which is the dock side depth of all of the petroleum refineries and terminals on the channel. These vessels have to anchor in South San Francisco Bay and have a portion of their cargo lightered off before they can proceed partially loaded to the refinery or terminal docks. This is an environmentally unsound practice, since it is known that the greatest risk of oil spillage occurs when it is necessary to transfer cargo. A deepening of the channel would enable these ships to proceed directly to their docks, thereby reducing time and transportation costs and reducing environmental hazard.

Mr. Chairman, the long-range viability of the San Francisco Bay Area regional economy is dependent upon the completion of this project. The last significant improvements to this main shipping channel were completed in the 1930's. The world shipping fleet has changed dramatically since that time. The ships are much larger in every respect and unless this channel is improved, the region cannot remain competitive to the detriment of our nation. Given the importance of international trade, the balance of payments and the very large sums collected in customs receipts by the San Francisco District each year, true national interests are involved.

We request the Committee to appropriate the amount of $4MM which is the Corps capability. In the event the Corps capability is adjusted upwards, we would request the higher amount to enable a more rapid conclusion to the scheduled work.

Mr. Chairman, we thank the Committee for its attention to our concerns. Thank you.

PORT OF OAKLAND, CALIF.

STATEMENT OF GERALD POPE, PRESIDENT, CALIFORNIA MARINE AFFAIRS AND NAVIGATION CONFERENCE

Mr. LANGNER. Our next witness is Gerald Pope from the Port of Oakland.

Mr. POPE. Thank you, Mr. Chairman. We particularly appreciate your comments with regard to the marine project. It is very gratifying to hear that you are supporting the very important things that will permit ports and navigation projects in California to grow. And for that we want to thank you and give our thanks to Senator Hatfield, chairman of the committee.

Thank you.

PILLAR POINT HARBOR, CALIF.

STATEMENT OF JEAN FLOCKS, COMMISSIONER, SAN MATEO COUNTY HARBOR DISTRICT

Mr. LANGNER. Also with us today is Commissioner Jean Flocks.

Ms. FLOCKS. Thank you. I am Jean Flocks, an elected commissioner currently serving as president of the district. I am here today to express the concerns of the constituents of the harbor district which was created in 1961 as a harbor of refuse and the Corps of Engineers built the same for us. Subsequently, we discovered that the breakwater as constructed did not reduce the wave action sufficiently so that we could continue to build a harbor inside the breakwater. Then in 1969, the district developed a detailed plan for the construction of a large harbor facility. This ran into our concerns and finally, in July 1976, the coastal commission granted a permit for the construction of the harbor.

We thought the last hurdle was gone over at that point; however, additional environmental concerns were expressed causing the Corps of Engineers to say that a further 3-year delay was necessary. So the Corps permit was not granted until July 1979.

In the meantime, while costs are esclating, our funding remains the same. Also, in the meantime, our sorely depressed commercial fishing industry, which is the primary user of that harbor, was having tremendous financial losses due to the problems.

Since 1974, 129 boats inside the harbor have sunk or been grounded. As recently as January of this year, two boats were sunk and six washed up on the beach during that storm. These losses are enormous to that fishing industry.

Because of the escalating costs, we entered into talks for help in funding the breakwater which is required before anything further can be done inside the harbor. The Corps has just completed, or is in the process of completing the study to make funding available in the 1983 budget. However, in the meantime, because of the depressed construction industry, we learned that if we could immediately get plans, specifications, et cetera, ready and go out to bid, that possibly a very good bid would be forthcoming and a great deal of money could be saved.

We did open bids on March 16, and did have a very, very fine bid on the construction of that internal breakwater. However, we find ourselves in a Catch 22 situation because that requires us to go forward immediately.

Now we learn from the Corps that because of the speed with which we are going forward, it is probable the funds will not be available in time and, therefore, it looks as if we will lose our full participation. And I am here to urge that anything possible be done to make it possible for the Corps of Engineers to participate in the financing of that internal breakwater so that some of the local funding will be available for the other necessary things inside the harbor once the breakwater is constructed.

There is authorization under section 107, and they had planned to give us $1.7 million, and I hope you will urge that consideration.

Senator JOHNSTON. We will check into that, Commissioner Flocks. I just cannot give you an answer as to whether that would be possible or not, but we will check into it. We cannot find anything on that in our files at this point, but we will check it out.

Ms. FLOCK. I hope we will not be penalized for our incentives.

Mr. LANGNER. Thank you, Ms. Flocks.

As with all the other forms in our testimony, this project has our complete endorsement of our conference; it represents all the navigation of California.

Ms. FLOCK. Thank you very much for the opportunity of appearing here before you today. I will leave my complete statement for you.

Senator JOHNSTON. It will be included in the record at this point.

[The statement follows:]

STATEMENT OF JEAN FLOCKS, COMMISSIONER, SAN MATEO COUNTY (CALIF.) HARBOR DISTRICT

Chairman Hatfield and members of the Sub-Committee, my name is Jean Flocks. I am an elected commissioner of the San Mateo County Harbor District and am presently serving as President of the Commission.

I am here today to express the concerns of the constituents of the Harbor District relative to the development of Pillar Point Harbor, in particular the construction of an inner breakwater for protection of commercial and recreational boats moored in the harbor. Some background information about the Harbor District and the Pillar Point Project will be useful in understanding the problem as it exists today.

The San Mateo County Harbor District is a county-wide Special District formed in 1933 to construct, maintain and operate harbor facilities within the county. Pillar Point Harbor, 319 acres in size, was created in 1961 when the Corps of Engineers constructed the existing outer breakwaters for the District, and added a "dog leg" to the west breakwater several years later to correct a surge problem. The District then constructed a pier for unloading and loading fish and other materials, a harbor master's office, a concession building, warehouse and public restroom facility.

The breakwaters and "dog leg" as constructed did not reduce wave energy sufficiently to allow construction of berthing to accommodate recreational boats and commercial fishing vessels. It was concluded that a system of internal breakwaters would be necessary to provide wave and surge protection for the required floating dock systems and the boats moored within the marina basins.

In 1969 the Harbor District developed a detailed plan for development of Pillar Point Harbor. This plan was adopted by the District in 1970. In December of 1970 the District undertook to develop a portion of this plan referred to as the East Basin Project. Implementation of this plan was delayed and finally abandoned as a result of opposition from several environmental groups.

Since that time the District has considered many alternative schemes for developing the harbor, ultimately adopting a final design in

July 1976. At that time this plan was considered to be the most acceptable compromise to the desires and needs of proponents, opponents and others connected with the development of the Harbor. The Central Coast Regional Coastal Commission denied the permit application submitted by the District for construction of the revised plan on the basis that the proposed project did not meet the requirements of the California Coastal Act of 1972.

An appeal was filed with the State Coastal Commission, which then approved the application subject to a number of conditions limiting the commercial (shoreside) development of the Harbor, e.g., restaurants, coffee shops and specialty shops. The plan as approved consists of the following features:

Boat Berths	220 commercial; 220 recreational
Area of Protected Water	38.5 Acres
Length of Inner Breakwaters	3,290 feet
Parking	700 vehicles
Launch Ramp	3 lanes
Car/Trailer Launch Ramp Parking	75 spaces
One 200-seat restaurant	
One Chandlery	
One Boat Repair Facility with Storage for 75 Boats	
Recreational Vehicle Parking Area for 100 vehicles	

Subsequent to the granting of the permit by the State Coastal Commission, three very important events occurred that had a disastrous effect on the project. First, the Corps of Army Engineers in response to pressure from environmental groups, determined that a public hearing should be held on the Corps' permit application for the project. This hearing was held on March 17, 1977. Following the hearing it was decided that an environmental impact statement (Federal) was required. This document was prepared, reviewed and commented upon, and finally approved in January 1979. The Corps' permit was issued in July of 1979. The second event occurred when the State of California Department of Boating and Waterways reduced the loan funds for the project from $6.0 Million to $4.6 Million Dollars because of reduced financial feasibility. Five hundred thousand dollars in additional funding was provided via legislation making the total loan funding available $5.1 Million Dollars. The third event was the passage of Proposition 13 by the California voters in 1978. This reduced annual tax revenues available to the District for capital construction from $1.7 Million Dollars to approximately $550,000.

Because of the protracted delays in implementing the construction program, project costs have continued to escalate while funding remains static. Today, the greatly reduced project will cost in excess of $14 Million Dollars. The original Pillar Point Project which would have provided facilities for 2,000 boats, many shoreside restaurants, shops and other facilities could have been constructed in 1962 for approximately $5.2 Million Dollars.

In the meantime, the commercial fishing industry in San Mateo County already depressed by increased operating costs, high fuel bills, high interest rates, fishing quotas and split seasons, must contend with the lack of adequate facilities at Pillar Point Harbor. Each year during winter storms boats are torn from their moorings and driven ashore. Since 1974, 129 boats have been sunk or damaged, including 2 sunk and 6 grounded on January 4, 1982. Action is required now to stop these needless economic losses to the fishing industry.

The Harbor District recognizing that additional funds would be needed to complete the Pillar Point Project, entered into discussions with the Corps of Engineers to determine if Corps local small project funding could be utilized to construct the commercial basin portion of the breakwater. By this method an additional $1.7 Million Dollars of federal funds would be made available for the project.

At the present time the Corps is finalizing the study which will lead to funding of breakwater construction sometime in fiscal year 1983-84. While the Corps of Engineers was conducting studies, tests and preparing necessary back-up data for their report and subsequent funding request, the Harbor District continued to seek alternative approaches to constructing this breakwater with available funding.

In December 1982, the District received information that a large sewer outfall project was being built at Ocean Beach in San Francisco, California. It was indicated that if the District could complete plans, specifications and contract documents for the inner breakwater by February 1982, and call for bids, a substantial cost reduction could be achieved. This action was authorized by the Board of Harbor Commissioners and the project was put out to bid. On March 16, 1982, bids were opened and a low bid in the amount of $2,931,265 was received from Dillingham-Basalt. Conversations with the Corps of Engineers, San Francisco District after the bid opening seem to indicate that Corps participation in the Pillar Point Project at this point is somewhat doubtful.

As President of the San Mateo County Harbor District, speaking for the taxpayers of the San Mateo County, the commercial fishing and recreational boating organizations, I urge you to support the Corps of Engineers participation in this vitally needed project under the authority of the Rivers and Harbors Act, Section 107. Corps funding in the amount of $1,770,000 in the Fiscal Year 1983 will ensure that the breakwater will be completed with adequate local funds available for construction of boat berthing and related shoreside facilities.

Thank you!

PORT OF REDWOOD CITY, CALIF.

STATEMENT OF PAUL KECKLEY, PRESIDENT, BOARD OF COMMISSIONERS, PORT OF REDWOOD CITY

Mr. LANGNER. Our last witness is Paul Keckley, president of the board of port commissioners, Port of Redwood City.

Mr. KECKLEY. I am Paul Keckley, I would like to introduce members of my backup team: Mayor Mario Biagi; Mr. Richard Dodge, the vice president of the board of port commissioners; Fred DiPietro, manager of the Port of Redwood City; and David Schricker, our attorney who we go nowhere without.

I have submitted these statements and I am going to cut them down for brevity.

We appreciate what you have said already which concerns some of our people here today.

REDUCTION OF MAINTENANCE FUNDING

Projected budgetary limitations in maintenance dredging will severely inhibit progressive development of smaller ports, such as the Port of Redwood City. Moreover, indiscriminate budget cuts will be particularly burdensome to small ports with long-term lease tenants which have large fixed industrial plant investment and who are dependent upon well maintained channel depths to insure uninterrupted movement of their cargoes and vessels.

Constraining environmental regulations are economically burdensome to the development and maintenance of our port system, especially in the areas of dredged material disposal.

As a case in point, prior to 1981, Redwood City Harbor had not been regularly maintained by the Corps of Engineers for the past 10 years. Congress appropriated $1.2 million to improve the channel project last year. Fifty percent of the funds, approximately $600,000 appropriated in fiscal year 1981, was expended in transporting dredged material to the only federally approved aquatic disposal site in San Francisco Bay, 20 miles distant from the project, despite the availability of a port-owned site adjacent to the project which had been used for dredge disposals on seven previous occasions prior to 1964.

Use of our port-owned dredge disposal site is prohibited by regulations promulgated by broad interpretation of an Executive order on wet land policy, and by stringent opposition of the Federal Wildlife Service in concert with State conservation agencies. A Corps of Engineers permit is automatically set aside under provisions of the section 404 program if responding regulatory agencies are in disagreement on environmental application. As a result, the port is prevented from using its own property for its intended purpose and the cost of disposal becomes a Federal burden under alternate Corps authority.

The net effect is that the Redwood City maintenance dredging project was minimally accomplished at the expense of conflicting regulation and restrictive environmental policy. Full utilization of Federal funds as appropriated for maintenance operations, together with local responsibility to provide adequate disposal facilities, would have totally accomplished the job as intended by the enabling legislation by Congress over 40 years ago.

We consider material dredged from the channel to be a recoverable resource with valuable use for dike restoration and wildlife habitat enhancement, as well as a usable source of material to be transported, once dried, to upland water-related industrial development sites requiring access to the deep draft channel.

We continue to seek appropriate permits and regulatory relief to utilize our port property as a long-term containment basin for hydraulically dredged material.

The cost effectiveness of providing a local disposal area will result in considerable savings of public funds.

Thank you, and I will leave my full statement with you.

Mr. LANGNER. Thank you, Mr. Keckley.

[The statement follows:]

STATEMENT OF PAUL C. KECKLEY, JR., PRESIDENT, BOARD OF PORT COMMISSIONERS, PORT OF REDWOOD CITY, CALIF.

Honorable Chairman and Members of the United States Senate, Subcommittee on Energy and Water Development.

I am Paul C. Keckley, Jr., President of the Board of Port Commissioners, Port of Redwood City, California and formerly Mayor of the City of Redwood City.

We welcome this opportunity to urgently request Congress to continue Federal funding for the Nation's navigation channels and the necessity to continue orderly and regular maintenance.

At a time when public expenditures are undergoing careful and prudent scrutiny, and where Federal as well as State priorities are shifting, the needs of our Nation's maritime interests require special attention, especially if we are to preserve a unique sector of the Nation's economy as represented by waterborne transportation and the commerce of the United States.

Projected budgetary limitations in maintenance dredging will severely inhibit progressive development of smaller ports, such as the Port of Redwood City. Moreover, indiscriminate budget cuts will be particularly burdensome to small ports with long term lease tenants which have large fixed industrial plant investment, and who are dependent upon well maintained channel depths to insure uninterrupted movement of their cargoes and vessels.

Constraining environmental regulations are economically burdensome to the development and maintenance of our port system, especially in areas of dredged material disposal.

As a case in point, prior to 1981, Redwood City Harbor had not been regularly maintained by the Corps of Engineers for the past ten (10) years. Congress appropriated 1.2 million dollars to improve the channel project last year. Fifty percent of the funds, approximately $600,000.00, appropriated in fiscal year 80/81 was expended in transporting dredged material to the only Federally approved aquatic disposal site in San Francisco Bay, 20 miles distant from the project, despite the availability of a Port owned site adjacent to the project which had been used for dredge disposals on seven previous occasions prior to 1964.

Use of our Port owned dredge disposal site is prohibited by regulations promulgated by broad interpretation of an executive order on wet land policy, and by stringent opposition of the Federal Wildlife Service in concert with State conservation agencies. A Corps of Engineers permit is automatically set aside under provisions of the 404 Program if responding regulatory agencies are in disagreement on environmental application. As a result, the Port is prevented from using its own property for its intended purpose, and the cost of disposal becomes a Federal burden under alternate Corps authority.

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We consider material dredged from the channel to be a recoverable resource with valuable use for dike restoration and wildlife habitat enhancement as well as a usable source of material to be transported, once dried, to upland water related industrial development sites requiring access to the deep draft channel.

We continue to seek appropriate permits and regulatory relief to utilize our Port property as a long term containment basin for hydraulically dredged material.

The cost effectiveness of providing a local disposal area will result in considerable savings of public funds.

OCEANSIDE, CALIF., SAND BYPASS PROJECT

STATEMENT OF LAWRENCE BAGLEY, MAYOR, CITY OF OCEANSIDE, CALIF.

Mr. LANGNER. We have Mayor Bagley here to testify on the Oceanside sand bypass project.

Mr. BIAGI. Thank you.

I have submitted a written statement I would like to have made a part of the record. You have already acknowledged both of our Senators from the State of California who are totally supportive of the sand bypass project. I would like to state further that all four Congressmen from San Diego County are totally supportive; and in addition to this, I think you will find them supportive of all the water and navigation projects.

Thank you.

[The statement follows:]

STATEMENT OF MAYOR LARRY BAGLEY, OCEANSIDE, CALIF.

I am Larry Bagley, mayor of the city of Oceanside, Calif. I am pleased to testify today on the need for Congress to provide funds in the 1983 budget for the continuation of the Oceanside sand bypass project.

Last year Congress directed the Corps of Engineers to develop a program for installing, monitoring, and evaluating the effectiveness of a sand bypass system as a means of maintenance of the Oceanside Harbor channel with a view toward reducing channel maintenance in the long term. The Corps of Engineers in consultation with top experts in the Nation, has designed a prototypical sand bypassing system for Oceanside which can lead to great savings in Federal maintenance dredging costs nationwide. The sand bypass is important to the entire San Diego region because it will restore the natural down-coast movement of sand which was interrupted by the Federal construction of a breakwater at Camp Pendleton Harbor during World War II. As a result, Oceanside has experienced a devastating and costly beach erosion problem which has been gradually spreading to down-coast communities. The bypass will stabilize and protect the $6 million sand fill recently placed at taxpayer expense on the Oceanside beach and help restore the city's lagging tourist economy.

I am requesting that Congress include an appropriation of $4.5 million for completion of the Oceanside sand bypass installation during fiscal year 1983.

Thank you for your consideration of this important project.

PORT OF SACRAMENTO, CALIF.

STATEMENT OF MELVIN SHORE, PORT DIRECTOR, PORT OF SACRAMENTO

Mr. LANGNER. Also present here this afternoon is Melvin Shore, director of the Port of Sacramento.

Mr. SHORE. I have submitted a written statement for the record. I would like to make only two points included therein.

First, earlier you referred to the $150 million reduction proposed by the administration for operation and maintenance. The Port of Sacramento is included in that because, by the Corps' calculations, we exceeded that maintenance cost criteria. Calculations will show the figures are more correctly between 28 and 43 cents per ton. Accordingly, we are short when the administration comes back to you, we will no longer be on that list.

My second point is to refer you to the final page of our prepared statement, which is a graph showing the growth of the port as compared to that proposed forecast by the Corps of Engineers. You will see it has exceeded the forecast by far and is currently operating at a level expected by the Corps of Engineers in the year 2050. Because of that, we have been studying that for the past 12 years, and that is in the section of the Army and we look for that in the meantime of $1.1 million for the final test that is required because of the memorandum by the State of California.

Thank you.

Senator JOHNSTON. Mr. Shore, let me say, I know you have been a leader in the area of providing new authority for dredging deepwater ports. It is very much needed. I know you have been a particularly strong leader with a strong port. I would simply say that all ports in the country have got to unite on this question. We are never going to get anywhere if we have the small ports going off in one direction, intermediate-size ports in another direction, and larger ports in yet another direction.

Really, what we ought to do is run our business with the ports as we have for the last 200 years, or 150 years anyway. It ought to be a Federal responsibility, because when one tries to find a fair way to put on a user fee—and it sounds very appealing, let the users pay for the port, that is fine, except who are really the users? Is it the agriculture people whose soybeans are being shipped through the Port of New Orleans, or is it your agriculture people, your rice people, or is it the coal shippers on the Mississippi River; just who is it that really uses it?

If you trace it back far enough it is really the consumer who will pay in the final analysis. So rather than try to get an equitable formula that taxes one port to improve another port or to say we will do it absolutely equitably and uniformly—each approach impacts one segment more than another. So, we should continue to do it as we have now, which will take more Federal money. If this idea of a user tax is part of the New Federalism, you can count me out, because I do not think it is workable. I think we will be around here arguing a decade from now about what is the fairest way to build and deepen our ports.

So, I would urge you with your skill and ability—and I know you are known for both—that you continue to join, to probe for ways to join together, with the people at the Port of New Orleans to seek out a better way.

Mr. SHORE. Thank you for your comments. We certainly agree with you that we should be together, and I personally have been making every attempt to get all the ports together.

We are indeed together on practically all points. There is only one major point that remains. I think the key point is that we need an assured source of funding, and the good Senator for whom you are substituting, we believe, has a good alternative I think even the people at the Port of New Orleans will find attractive, and we will be talking about that with your representatives in your region.

Mr. LANGNER. The first several pages of my testimony deal with this subject as well, and some will lament, so I will not mention it, because you obviously are fully aware of the problem.

Senator JOHNSTON. Thank you.

[The statement follows:]

STATEMENT OF MELVIN SHORE, PORT DIRECTOR, PORT OF SACRAMENTO, CALIF.

SUMMARY OF REQUEST

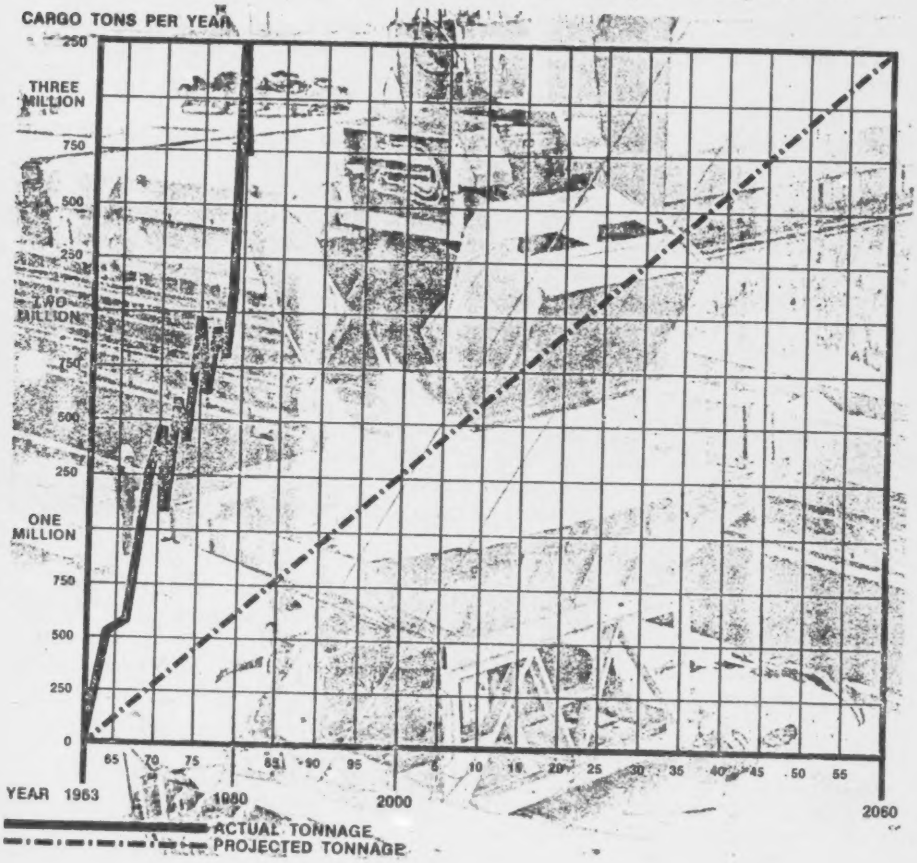
Mr. Chairman and members of the committee, after a 12-year study, the feasibility report and environmental impact statement for the deepening of the Sacramento River deepwater ship channel was last year approved by the Board of Engineers for Rivers and Harbors and is presently in the hands of the Secretary of the Army.

Construction planning then can begin in fiscal year 1983. Accordingly, we ask that your committee include in the general investigations appropriations the amount of $1.1 million which we understand the Corps can beneficially expend to advance the planning and model testing during that fiscal year. We also ask that your committee include for operation and maintenance adequate funds for essential dredging and bank protection.

BACKGROUND

The Sacramento River deepwater ship channel project was completed in 1963. From a volume of 41,000 tons handled that first year, our 1981 volume was almost 3 million tons. The Corps' original project review estimated that over the 50-year study life of the project, the average annual volume of deep-draft traffic would be 857,000 tons. The vitality and success of this project to date is well demonstrated by the extent that the projections have been exceeded. Following is a graph illustrating the unusual growth of this project. Note that based upon the Corps' projections, we should not have achieved the 1981 volume until the year 2045.

Cargo Volume—Actual Versus Corps' Projection



LOCAL SUPPORT

Local interests have tenaciously promoted the use of the Port of Sacramento. The facilities provided by the port district for cargo handling represent an investment of over $55 million. Additional expenditures are under active consideration at this time. Its land holdings are master planned for further expansion as the needs require.

At public hearings in 1970 and in 1979, there were many expressions of support from the shippers that use the port and the community in general. Nearly 100 letters were received after the 1979 hearing, from U.S. Senators and Congressmen to private citizens, the overwhelming majority were strongly supportive of the deepening project. The Board of Engineers for Rivers and Harbors also received a large number of supportive letters, which we like to think contributed to the comparatively brief period of review received there before approval.

BENEFIT-COST RATIO

The Corps' feasibility report shows that the deepening of the channel to Sacramento will produce a 2.5 benefit-cost ratio when evaluated at the interest rate of 7$^1/_8$ percent. Recent updating using the higher rate of 7$^5/_8$ percent, the benefit-cost ratio is 2.4. Typically, navigation projects have not shown well at these high interest rates which adversely affect the benefit-cost ratio by tending to minimize annual benefits and exaggerate annual costs. The benefit-cost ratio speaks for itself as to the value of this project.

NEED FOR DEEPER WATER

The bulk cargoes presently moving through the Port of Sacramento sorely require deeper water. Bulk cargoes require larger vessels to minimize the per-ton cost for ocean freight. To continue to successfully compete in the world markets, the Port of Sacramento shippers must be able to charter larger vessels with deeper drafts. To do any less makes them noncompetitive and destroys their ability to foster our country's exports.

CARGOES REQUIRING DEEPER WATER

Just two of the port's cargoes will serve to demonstrate the need. Last year, 52 percent of the ships loading grain for export at Sacramento had to be topped off at deeper water. When the port started its wood chip export program in 1967, the ports at the receiving end had only 27 feet of draft capability. At that time, Sacramento's 30 feet was ample. Now those same receiving ports offer 12 meters—over 39 feet—draft.

In both these cases, the long-term picture can only mean that Sacramento will gradually be bypassed and eventually wither and die if deepening is not accomplished. It should be pointed out that these exports contribute to helping solve the continuing U.S. balance-of-payments problem.

ADDITIONAL VALUES

Deepening the channel will also serve the energy conservation needs of the country. When ships can be fully loaded at the port, it will avoid the need to move cargoes to more distant ports by land transportation means. It is even more dramatically evident now in the 1980's that water transport is many times more fuel efficient per ton of cargo than land transportation.

The needs of the national defense will also be better served by making the port more accessible to naval and merchant marine vessels that require the deeper draft.

Finally, it should be recognized that the location of new industries along the ship channel with their private berths is a national asset of considerable value. The first of these industries has already located and is bringing fertilizers from Alaska to serve the agricultural needs of northern California.

OPERATION AND MAINTENANCE

Channel maintenance dredging and bank rock protection are vital to the very existence of the Port of Sacramento. A lot of erroneous maintenance cost figures have recently come from the administration.

However, the latest Corps of Engineer analysis of Sacramento's deepwater channel per-ton maintenance cost done in late February of this year, using an average annual cost over a 10-year period, shows a cost of 43 cents per ton handled in 1979 and 28 cents in 1980. These figures show decisively that Sacramento's channel maintenance costs are relatively low. We feel that under present law, the Federal Government should and must continue in its historically mandated role of maintaining the country's system of deepwater ports.

SUMMARY

The Port of Sacramento has well demonstrated its success in utilization of the Sacramento River deepwater ship channel at its present depth. Cargo handling developments in general, and specifically at Sacramento, clearly indicate the need for deeper draft to accommodate the larger ships handling bulk cargoes.

I respectfully urge your honorable committee to approve an appropriation of $1.1 million to permit the Corps of Engineers to begin construction planning in an efficient and economic manner, and an appropriation of adequate funds to continue operation and maintenance work vital to the life of the Port of Sacramento.

MARINA DEL REY SMALL BOAT HARBOR, CALIFORNIA

STATEMENT OF VICTOR ADORIAN, DIRECTOR, DEPARTMENT OF SMALL CRAFT HARBORS, LOS ANGELES COUNTY, CALIF.

Mr. LANGNER. Our next witness will be Victor Adorian from the Los Angeles County Department of Small Craft Harbors.

Mr. ADORIAN. Los Angeles County greatly appreciates the opportunity to appear before you today.

About 30 years ago, Congress authorized the development of a highly successful 6,000-boat complex, and about 15 years ago Congress authorized a survey to locate other feasible sites along the 75-mile county coastline.

We have filed a written statement for the record in support of our request for an $80,000 appropriation to reactivate the survey. We are not looking for construction grants; we need a navigation study to provide private business opportunities, 600 jobs, and substantial revenues to Federal and local governments, as well as badly needed public relations facilities.

We greatly encourage your favorable action.

Thank you.

[The statement follows:]

STATEMENT OF VICTOR ADORIAN, DIRECTOR, LOS ANGELES COUNTY DEPARTMENT OF SMALL CRAFT HARBORS

Dear Chairman Hatfield:

SUBJECT: NORTH COAST OF LOS ANGELES COUNTY
NAVIGATIONAL SURVEY AND STUDY

The Board of Supervisors of the County of Los Angeles requests the Congress of the United States to continue a federal survey in California, encompassing the north coastline of Los Angeles County, with the objective of determining feasible sites for the construction of small craft facilities. We request the Congress authorize funding for the full $80,000 capability of the Corps of Engineers to conduct a priority feasibility study in F.Y. 1983.

In recognition of the growing demand for small craft facilities, and of the great financial success of the joint federal/county Marina del Rey Small Craft Harbor Project, the Congress authorized the $470,000 survey in F.Y. 1968, together with an initial federal appropriation of $5,000 in the Corps of Engineers' budget, pursuant to the provisions of Public Law 14, 79th Congress, approved March 2, 1945. Since 1968 federal appropriations have totaled $165,000, which amount was expended by the Corps to survey a number of locations between Malibu and Marina del Rey, as shown on the enclosed maps.

With the elimination of a number of potentially feasible sites, and greatly accelerated public pressures for additional berthing, the County is investigating the possible expansion of berthing capacity into a privately owned land tract immediately adjacent to the harbor, and within the Marina del Rey project itself.

Federal Participation and Economic Feasibility

Navigational projects may not proceed without the study and approval of the federal government. This study will establish the feasibility of the proposed expansion and the degree of proposed federal participation, if any.

We acknowledge the necessity for the Congress to consider cost sharing or reimbursement with the favorable consideration of this request to continue the North Coast of Los Angeles Study.

The success of the original Marina del Rey Harbor Project provides the best justification to the Congress for inclusion of the $80,000 required to proceed with the feasibility survey in F.Y. 1983. The 800-acre Project is the largest small craft harbor facility in the world housing some 6,000 boats in the water and 800 boats in dry storage. Additionally, there are 6,300 housing units and a multiplicity of business activities. More than 300 business entities provide 8,000 jobs and generate business revenues exceeding $150 million annually.

Some $4.6 million was expended by the federal government since Project authorization in 1954. This expenditure has been matched by $19 million in state and county funds and a $175 million investment by private industry to provide the great variety of public facilities available in the Project area.

Apart from these benefits the $4.6 million federal investment has resulted in the creation of jobs and wealth which, in turn, have contributed substantially to the coffers of federal, state and local jurisdictions. It is very probably that the annual return to the federal treasury alone greatly exceeds the initial investment.

We conservately estimate the proposed expansion would include some $45 million (1982 dollars) in new construction and provide 600 new jobs, in addition to those required for construction. Total gross business receipts will exceed $500 million, providing an excellent revenue base for federal, state and local governments.

Public Demand and Support for Boating Recreation

Since the federal north coast survey was initiated in 1968 the number of registered vessels owned by citizens of Los Angeles County has grown from 80,000 to 100,000, or 20% of the total state fleet of small craft. During this period of dramatic increase in small boat ownership there has been virtually no increase in berthing facilities in Los Angeles County for the sea going fleet. Modest increases in berthing in adjacent counties were quickly absorbed by growing local fleets.

All small craft harbors and marinas in Southern California, between Santa Barbara and the Mexican border are at 100% occupancy. The time required to obtain a berth ranges from one to eight years. In Los Angeles County alone there is a demand for more than 10,000 berths in excess of the 14,500 currently provided. In Southern California the shortage approximates 18,000 berths, according to statistics developed by the California State Department of Boating and Waterways.

The possible addition of small craft facilities and related business activities has the strong endorsement of business and community groups and organized boating clubs and associations. The need for additional facilities is clearly established. The positive impact of the boating facility and community upon the citizenry and economy of the region is great.

It is essential to recognize that the seven million citizens of Los Angeles County require recreational outlets. It is equally essential to recognize the adverse economic impact of berthing shortages upon the boating industry, inflationary berth rental prices, employment, and tax revenues.

The presence of currently unimproved acreage in the vicinity of Marina del Rey may provide a site for boating facility development at a time when prospective sites have disappeared at an alarming rate. This situation may, in fact, constitute a last-time opportunity to provide additional water and boating development in the County. Your timely consideration is greatly appreciated. The County of Los Angeles stands ready to provide any additional data required.

SANTA CRUZ HARBOR, CALIF.

STATEMENT OF BRIAN FOSS, GENERAL MANAGER, SANTA CRUZ PORT DISTRICT

Mr. LANGNER. Mr. Brian Foss.

Mr. FOSS. I would like to thank the subcommittee for its allowing us the opportunity to be here today, to provide $12 million for the community, and 700 jobs, which is a significant number for a small community with little initiative and high unemployment. We would like to enlist your continued support for our project in two items: One, sealing the west gate of the harbor to reduce the annual dredging by 30 percent, which will then continue the dredging support itself.

This will allow us to continue as a viable harbor you have created.

Thank you very much.

Senator JOHNSTON. I have been swimming at Santa Cruz; the water is very very cold.

Mr. LANGNER. Good fishing, though.

[The statement follows:]

STATEMENT OF JOSEPH G. TOWNSEND, CHAIRMAN, SANTA CRUZ (CALIF.) PORT DISTRICT COMMISSION

This testimony is submitted to solicit your continued support for maintenance dredging at Santa Cruz Harbor. The Santa Cruz Harbor project, authorized under House Document 358 in 1958 and constructed in 1964, has had massive and perennial sand shoaling since its completion. Dredging has been the only practical means of keeping the channel navigable.

Santa Cruz Harbor is a regional and coastal resource of significant proportions. The Harbor was conceptualized as a multi-purpose facility serving commercial fishermen, recreational boaters, and coastal sailors seeking refuge from the open ocean. It has, from its opening day, realized these visions... and more. Whereas the federal investment of some $2.7 million was granted in support of a 360-boat harbor, this original investment now supports a 1,025 boat harbor. This entire complex is valued at $51.3 million.

COMMERCIAL FISHING - *There are 265 commercial fishing vewsels in the harbor to date. The value of these vessels is $7.3 million. The dollar value of fish landed by Santa Cruz based boats is in excess of $1.29 million a year. The associated industry -- fish buyers and retailers -- accounts for an additional $1 million of gross product. Additionally, from July through October, Santa Cruz Harbor becomes the resting stop for vessels engaged in the catching of pelagic fish (albacore, salmon, swordfish). In 1980, Santa Cruz provided 1,295 overnight accommodations for large commercial vessels from other ports; no monetary figure has been placed on this service.*

RECREATIONAL BOATING - *The remaining 760 boats at Santa Cruz comprise an extremely active recreational body. Santa Cruz County enjoys a unique and beautiful topography and an exceptionally mild climate for Northern California. As a consequence, activity is high and a 30% use factor is not unusual. Additionally, the launch ramp is used by 10,976 boats per year. Excess demand is very high -- there are 1,200 people on the slip waiting list, all of whom have paid both initial and annual fees for such.*

HARBOR OF REFUGE - *Santa Cruz Harbor was designed to be an integral link in a chain of harbors that were to provide refuge to coastal sailors. The facilities in Monterey Bay are the only respite between Morro Bay, 100 miles to the south, and Half Moon Bay, 46 miles to the north. The following depicts the utilization of the harbor in regard to refuge:*

Commercial Boats	*1,295*
Ocean-going Recreational Boats	*13,857*
Total Overnights per Year for Coastal Sailors	*15,152*

FISCAL YEAR 82 APPROPRIATION

The San Francisco District Corps of Engineers' full capability is $1,193,000.

WEST JETTY SEALING *- $454,000 of the request is for sealing of the west jetty which allows sand to pass through. The sealing would prevent this and reduce dredging needs in the future by approximately 20% to 30%. We believe this request is cost effective and will pay for itself in three to five years.*

DREDGING *- The remaining $739,000 would allow the second year of the Corps of Engineers' two-year contract to continue through May of 1983.*

A CALL TO REASON ON FEDERAL RESPONSIBILITY

Santa Cruz Port District is keenly aware of the fundamental changes being proposed for the federal budget in general and for navigation projects in particular. In some form local entities will be assuming a great deal of the financial responsibility for navigation in both maintenance and capital projects. We are readying ourselves for the transition. The crucial factor is the time frame. Congress must give the great port and harbor system of this country a realistic time in which to take on such an enormous financial burden. We propose that a gradual transition over a three-year period (Fiscal Years 83, 84, 85) be provided for such a change. Anything less will cause undue hardship and result in needless casualties in the harbor system. In light of 200 years of federal support for navigation, this is surely a reasonable approach.

ADDITIONAL TESTIMONY IN SUPPORT OF

CORPS OF ENGINEERS COASTAL DATA INFORMATION PROGRAM

The United States Corps of Engineers and the California Department of Boating and Waterways have created a system of wave monitoring devices on the coast of California. The system of some 20 sensors has been in place for several years and is being continually improved. The monitors send instantaneous and hourly information to the central collection point at Scripps Institute where the data is collated and disseminated. This system provides up-to-the-minute wave information for coastal sailors and fishermen, something never before available.

It also provides accurate, basic data for dealing with the forces of nature. The benefit is immense. Engineers and technicians now have precise information to devise methods of protecting and preserving natural and man-made coastal resources-- cliffs, beaches, breakwaters, harbors, houses, and structures. Both public and private sectors have already benefited greatly. There will be more benefit in the future as more and more agencies and firms utilize the information.

In the case of Santa Cruz Harbor, the data has given the port a great deal of the technical information necessary for re-designing the harbor breakwater system. This will ultimately result in less maintenance dredging of the harbor and a proportionate reduction of cost to the Corps of Engineers and the port.

We strongly urge that Congress continue support of this system.

STATISTICAL DATA

FY 1981

Total Permanent Boats Berthed:	
Recreational	760
Commercial Fishing	265
Launchings:	10,976
Overnight Accommodations:	
Recreational	13,857
Commercial	1,295
Value of Vessels in the Harbor:	
Recreational	$16,060,000
Commercial	$ 8,258,000
Replacement Value of Facility:	$51,300,000
Investment:	
Initial Federal	$ 2,700,000
Total Local & State	$ 7,800,000

LOS ANGELES COUNTY
DEPARTMENT OF SMALL CRAFT HARBORS
MARINA DEL REY
TREND OF LEASEHOLD GROSS RECEIPTS (000'S)
BY MAJOR CATEGORY

# LEASE-HOLDS	CATEGORY	YEAR ENDING			6 MONTHS ENDING			3 MONTHS ENDING			% OF COUNTY RENTAL INCOME
		6/79	6/80	6/81	6/79	6/80	6/81	6/79	6/80	6/81	
24	ANCHORAGES & RELATED	$ 9,678	$10,466	$12,173	$ 4,919	$ 5,344	$ 6,442	$ 2,622	$ 2,798	$ 3,306	
	% Change Over Prior Period		8%	16%		9%	21%		7%	21%	23%
18	APARTMENTS	31,964	36,026	40,736	16,559	18,427	21,017	8,383	9,396	10,663	
	% Change Over Prior Period		13%	13%		11%	14%		12%	13%	35%
16	OFFICES	3,835	4,309	4,657	1,971	2,244	2,386	991	1,097	1,173	
	% Change Over Prior Period		12%	8%		14%	6%		11%	7%	4%
5	HOTELS/MOTELS	6,472	7,117	9,008	3,619	3,865	4,690	2,000	1,959	2,332	
	% Change Over Prior Period		10%	27%		7%	21%		(-2%)	19%	8%
	Occupancy Rate	78%	75%	74%	79%	77%	74%	79%	76%	72%	
15	RESTAURANTS	22,397	26,106	26,811	11,528	12,818	13,741	6,297	6,677	7,418	
	% Change Over Prior Period		17%	3%		11%	7%		6%	11%	13%
	Gross Receipts Per Seat 1/	5,192	6,118	6,215	2,673	3,017	3,185	1,460	1,578	1,720	
32	MISC. RETAIL SALES	40,461	42,728	42,781	19,511	20,618	20,775	10,212	10,760	10,773	
	% Change Over Prior Period		6%	0%		6%	1%		5%	0%	5%
9	BOAT SALES & BROKERAGE	7,530	8,527	9,966	3,675	3,580	4,753	2,164	1,474	2,287	
	% Change Over Prior Period		13%	17%		(-3%)	33%		(-31%)	55%	2%
3	FUEL SALES	1,454	2,057	2,636	751	1,022	1,334	455	600	802	
	% Change Over Prior Period		41%	28%		36%	31%		32%	34%	2%
	No. of Gallons (000's)	2,345	2,102	2,208	1,101	954	1,040	626	552	625	
5	YACHT & SOCIAL CLUB DUES	2,511	2,885	3,823	1,287	1,460	2,213	669	765	1,462	
	% Change Over Prior Period		15%	33%		13%	52%		14%	91%	6%
	No. of Members	4,524	4,886	5,591	4,332	4,705	5,239	-	-	-	
	MISCELLANEOUS CATEGORIES	12,069	11,661	13,212	6,087	5,633	6,011	3,527	3,261	3,581	
	% Change Over Prior Period		(-11%)	13%		(-18%)	21%		(-8%)	10%	2%
	TOTALS	139,371	151,882	165,803	70,707	75,011	84,162	37,320	38,787	43,877	100%
	% Change Over Prior Year:										
	Local Area C.P.I. - Rent		13.0%	10.9%							
	Local Area C.P.I. - All Items		18.1%	7.2%							

1/ Actual Dollars

INTRODUCTION OF SUPPORTING WITNESSES

Mr. LANGNER. That completes our witnesses here; others have included statements including Robert Davenport, Carl Nelson, Ken Sampson, Less Westfall, Councilwoman Joan Milke-Flores, Commissioner Rev. Arthur Bartlett; Dr. Roy Perry, director of the Port of Los Angeles; Ed Gorman, Glenn Hughes, and Chuck Gibson.

Then also here today from the Port of Richmond, Sal Bose; from the Port of San Diego, Bill Dick; and finally, Rod Lundin, Michael Cheney, and Frank Boerger.

PREPARED STATEMENT OF ROBERT LANGNER

Mr. Chairman, my submitted testimony includes certain recommendations, and we wish or hope your committee would give these some consideration. They do deal with the issues mentioned here today, and one is the need for possible revenue sharing in reserves, and that is the utilization of customs revenue for port navigation purposes, not a novel idea, but one we advocated 20 years ago.

Another is regulatory response which we have been spearheading. We are very appreciative that one of the leaders is the Port of New Orleans, and one of your able port authorities is running for a key position, and we appreciate the opportunity to appear here and appreciate the courtesies that you and your staff have always shown us.

Senator JOHNSTON. Thank you very much, Mr. Langner, for again being the coordinator of this presentation. Without you, I don't think this would be possible.

Your entire statement will be made part of the record and we will pay close attention to the recommendations contained therein.

[The statement follows:]

STATEMENT OF ROBERT H. LANGNER, EXECUTIVE DIRECTOR, CALIFORNIA MARINE AFFAIRS AND NAVIGATION CONFERENCE

Mr. Chairman and Members of the Committee:

For the 24th consecutive year, it is my privilege to appear before you to submit recommendations for the record of this Conference for funding of certain California navigation, beach erosion and related Federal projects. Your alloted C-MANC testimony time will again permit a number of our members, together with our Congressmen, to appear before you as well. As you have requested, the majority of our representation here today will be introduced or present statements for the record; C-MANC will seek as always to be concise, brief and to-the-point in our presentations.

We support full funding of the Corps of Engineers' capabilities for the projects represented by our membership. A schedule of C-MANC recommendations is appended. As noted, other witnesses and additional testimony in support of specific projects will follow.

Consistent with C-MANC's posture expressed during my almost 2½ decades of appearances before this body, we repeat our intention to work within the system and assist your Committee's paramount decision-making role in developing the Congressional program for authorizing and funding of federal projects. Our Conference recommendations and testimony today are predicated on this traditional C-MANC role of assistance to Congressional Committees — and is not responsive to proposals, submitted legislation, negotiations and other Executive Department actions which lack Congressional sanction and are contrary to traditional processes. A year and a day ago, just before our appearance before you, we learned — as did many others, with surprise — of the first of many hastily-prepared and flawed proposals which have disrupted the traditional process. We have followed with keen interest since then the convolutions, modifications and Congressional counter-proposals which have yet to see final form. In the interim, some project sponsors have been "encouraged" to accept unprecedented financial burdens as the price for removing administrative road blocks to construction initiation.

It is of course recognized that much of this controversy is beyond the immediate scope and responsibility of this Committee. Nevertheless, the issues and contentions are so inexorably bound together with the funding process — and can easily negate in many instances your intentions in appropriating funds for water development — that our frustrations are voiced here in the acknowledgement that your interests and responsibilities do extend to your other important assignments that embrace these issues.

It is redundant of course to submit that Congressional concern and responsibility for navigation and waterways of the nation have been extant, expressed and assumed since our nation's founding. The wisdom of the federal role in assuring improvements for connecting our states and developing the inland territories with water navigation and providing access to ports and harbors — in the ensuing two centuries has been repeatedly manifest. The ports and waterways system which has resulted has been of incalculable value to our development, transportation and industrial efficiency, and national security. A long established partnership exists between federal and non-federal governments which has produced the facilities that now interface with federal navigation projects. Enormous non-Federal capital improvements have resulted: The continuation of this beneficial partnership arrangement requires a clear, precise and stable definition of the federal role in navigation projects. We feel abrupt changes can only lead to confusion and inefficiency.

That such a carefully-developed relationship, patently in the national interest and which has performed so well for so long, should be proposed changed radically in the short run, without the most careful study and consideration of impacts, appears to us counterproductive. These proposals come without the participation, input and comments of the "partners" — those responsible for the projects, the users and indeed — the public itself which is the ultimate beneficiary.

What warrants such drastic proposals announced just a year ago without preamble? Fiscal considerations were the only basis advanced. The budget is understandably paramount in this context. But revenue "shortfalls" are not unique to Federal operations. Transfer of funding responsibility, meaning at the moment the re-allocation of deficits to local, state and other project sponsors, would not appear at this time as a very satisfactory solution. Indeed, in these ensuing 12 months, the Administration's proposals have proved divisive in their impacts on projects and those responsible for them. Contentious debate, divisions and lack of consensus plague all of us, including C-MANC's membership. Constantly-changing proposals, modifications and Administration "positions", variations in their support and interpretation, continue to contribute to this counterproductive process.

Such negative impacts, uncertainties, frustrations and delays have come at a time more critical than even usual for our nation's waterborne commerce. There is increasing U.S. dependence on international trade. Cargo facilities, channels, harbors and waterways, and their interface and backup, are more important than ever to our economic strength and national security.

Such demands should have been responded to with an awareness and hastening of the traditional leisurely process for project study, authorization, construction and completion. The new delays and lengthening time for such realization — commencing in the 1960s with the environmental "backlash" and new constraints — should not now be further compounded by deliberate delays inherent in such major shifts of funding responsibility.

Lacking has been adequate opportunity for all those concerned and responsible for the maintenance and improvement of projects and facilities to participate in the consideration of the emerging proposals for such major policy changes. And when such input is hopefully sought, it should be considered objectively. Those solicitated for comment and testimony should be gauged not by their known favorable stance for a particular, current proposal by a legislative proponent, but rather, for their potential constructive contributions to the dialogue. Nor should a specific measure be endorsed or supported primarily for its revenue-enhancement features or budget-reduction potentials.

We have followed carefully public and industry response during these 12 months and find it understandably both confused and mixed. Suggested is consideration of the following, which — while not at all new to you — perhaps are worthy of yet-another-review:

- That the Congress proceed most deliberately in considering, evaluating and projecting impacts of these cost-recovery/user toll proposals, in the context of two centuries of Federal responsibilities and the narrowing time frame for navigational improvements.

- Congressional responsibility be assured, in the light of this Administration's proposals — similar to its predecessors in recent years — which have the effect of frustrating, postponing and indefinitely delaying the orderly processing of project improvements and even maintenance. This log jam must be broken — the longer it exists, the more severe the problems and costly and drastic the solutions. Congress should act to assure that its intentions have appropriate Executive Department response.

- Sweeping legislation which understandably quickly passed in the last dozen years, responsive to the environmental "backlash", in turn has exacerbated the problems and frustrated their remedies, often through excessive agency interpretations and application. Regulatory reform is a "must" in Congressional development of modifying legislation, including cost-sharing proposals. C-MANC through its Dredging Committee has in the last several years made specific recommendations in this regard. Assuring environmental participation with inevitable costly delays, added project costs and sometimes, withdrawals in frustration of undertakings which were meritorious projects.

- Almost 20 years ago, the significance of Customs revenue — to a large extent dependent upon waterborne commerce — was cited in my testimony to the Congress. Subsequently we repeatedly recommended active consideration of allocation of a reasonable portion of such revenue to meet Federal navigation system responsibilities which make possible the major portion of Customs receipts. There is ample precedence, as you know, and many others join in this urging. We believe it should be a key topic within any consideration of changes in Federal policies and responsibilities for waterborne commerce and navigation.

- Finally, and as we have supported and recommended to the Congress and this Committee in particular, navigation must continue to be considered far more than a domestic issue. While particular actions are — as in the apparent instance — sought primarily for budgetary reasons, their impacts can easily transcend national boundaries, as they relate to the efficacy of our waterborne transportation system as it interfaces with the world. A major element in our competitiveness is the cost of delivering to us our needs from overseas, particularly for our industrial base, and the availability of adequate cost-effective inland and coastal shipping capabilities for our export trades.

Thank you for your patience in considering these somewhat philosophical observations, redolent as they are of many past comments and recommendations to Congress from our organization. Time, however, has not in our estimate lessened their appropriateness.

Before introducing project sponsors and supporters, I comment on a Federal undertaking which otherwise lacks a specific sponsor and proponent. Appreciated was your action to fund for FY 82 the Special Study, Coast of California, Storm and Tidal Wave. This undertaking has again received C-MANC's unanimous endorsement. It will provide data for evaluation of the problems of many of California's shallow and deep draft harbors. This information is turn is vital to the planning and response for beach erosion and harbor entrance design. Additionally, the resulting data is even now producing a base for evaluation of similar conditions at other projects on the Gulf and Atlantic Coasts. We support strongly the study's uninterrupted progress, and — unlike in the current fiscal year — its expansion to the entire California coastline, but with continuing emphasis on the Dana Point-southern portion of the undertaking.

Here, then, are our witnesses and project supporters. In closing, warm thanks again to the leadership and membership of this Committee, as well as the for always-present cooperation shown by your staff, and for assuring continuity of this representation before you by C-MANC. You unfailingly have shown us courtesy and consideration.

Compiled with the cooperation of
the South Pacific Division
Corps of Engineers, USA

ACTIVE NAVIGATION AND BEACH EROSION STUDIES

(Amounts in Thousands)

Study	Estimated Federal Cost	Approp Thru 30 Sep 81	FY 1983 Conference Allowance	FY 1982 Work Allowance 1/	Balance to Complete	FY 1983 President's Budget	FY 1983 2/ Capability	Purpose of Additional Capability
NAVIGATION IN PROGRESS								
Coast of Northern California (Harbors for Light Draft Vessels)	1,017	911	0	0	106	0	106	Complete study.
Humboldt Harbor and Bay	1,360	827	0	0	533	0	250	Continue study.
Los Angeles-Long Beach Harbors (Including San Pedro Bay Model)	6,600	6,134	0	25	441	0	441	Continue study.
Morro Bay Harbor	730	154	0	0	576	0	230	Continue study.
North Coast of Los Angeles County	550	165	0	0	385	0	80	Continue study.
Oakland Inner Harbor	495	277	130	130	88	88	88	Complete study.
Redondo Beach Harbor (King Harbor)	175	40	0	0	135	0	85	Continue study.
San Francisco Bay Area (In-Depth)	3,080	2,453	110	110	517	140	324	Advance completion of Redwood City Harbor interim study 12 months
San Francisco Bay Shoreline	3,414	635	200	200	2,579	300	700	Advance completion of Alameda and Santa Clara Counties interim study 12 months ($375); continue San Mateo County interim study ($20); And continue final report ($5). Advance overall study completion 12 months.
San Leandro Bay	690	50	0	0	640	0	160	Continue study.
San Pedro Bay Ports	1,220	626	480	414	180	180	180	Complete study.
Sunset Harbor	820	470	150	150	200	0	160	Continue study.
NOT STARTED								
San Francisco Bay and Tributary Deep Water Ports (Dredging)	555	0	0	0	555	0	250	Initiate and complete reconnaissance phase of study.
Santa Cruz Harbor	105	0	0	0	105	0	105	Initiate and complete reconnaissance phase of study.
West Newport Beach Harbor	320	0	0	0	320	0	80	Initiate and complete reconnaissance phase of study.
SPECIAL STUDIES								
Coast of California, Storm and Tidal Waves	7,000	0	750	535	6,465	500	1,500	Expand scope of FY 1983 effort to include entire coast of California and advance study completion 12 months.
CONTINUATION OF PLANNING AND ENGINEERING STUDIES								
Fisherman's Wharf Area San Francisco Harbor	12,430 (600)	(0)	(100)	(75)	(525)	(100)	(475)	Advance study completion 12 months.
Oakland Outer Harbor (Deepening)	32,990 (220)	(0)	(150)	(125)	(95)	(95)	(95)	Complete study.
Sacramento River Deep Water Ship Channel	74,300 (3,500)	(0)	(400)	(250)	(3,250)	(600)	(1,100)	Advance study completion 6 months.

1/ Note: FY 1982 Work Allowances are as of Jan. 1, 1982

2/ The Fiscal Year 1983 capability amount considers each project or study by itself without reference to the rest of emphasized that the total amount proposed for the Army's Civil Works program in the President's Budget for Fiscal Yea consistent with the Administration's assessment of national priorities for Federal investments and the objectives of the serious adverse effect that Government borrowing is having on the national economy. Therefore, while we could ut project (study), offsetting reductions would be required in order to maintain our overall objectives.

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ADVANCE ENGINEERING AND DESIGN PROJECTS

(Amounts in Thousands)

Study	Estimated Federal Cost	Approp Thru 30 Sep 81	FY 1982 Conference Allowance	FY 1982 Work Allowance 1/	Balance to Complete	FY 1983 President's Budget	FY 1983 2/ Capability	Purpose of Additional Capability
Noyo River and Harbor (Breakwater)	5,790 (1,300)	(500)	(54)	(54)	(746)	(35)	(130)	Advance completion of planning 12 months.
Noyo River and Harbor (Channel Extension)	1,700 (450)	(165)	(186)	(150)	(135)	(64)	(100)	Advance completion of planning 5 months.

CONSTRUCTION PROJECTS

(Amounts in Thousands)

Projects		Total Cost C of E */	Approp. Thru 30 Sep 81	Conference Allowance FY 1982	FY 1982 Work Allowance 1/	Balance to Complete	FY 1983 President's Budget	FY 1983 2/ Capability	Purpose of Additional Capability
Bodega Bay	(N)	2,570 †/	456	155	129	1,985	0	Under Review	Pending determination of policy on upfront financing by local interests.
Crescent City Harbor	(N)	3,650 †/	1,578	1,720	1,720	352	352	352	No additional requirement.
Los Angeles and Long Beach Harbors	(N)	30,500 †/	12,202	11,000	12,975	5,323	5,323	5,323	No additional requirement. 3/
Port Hueneme	(N)	2,690	1,041	0	0	1,649	0	0	Pending completion of phase 3 development plan.
San Diego River and Mission Bay	(N&FC)	19,600 †/	11,585	250	250	7,990	0	0	No requirement pending completion of design studies.
San Francisco Bay to Stockton (John F. Baldwin and Stockton Ship Channels)	(N)	173,000 †/	9,409	1,400	1,400	170,181	4,000	5,700	Advance completion of Avon to Stockton portion of channel deepening three months (1,700). No change in project completion.
Imperial Beach	(BE)	2,900 */	875	0	0	2,025	0	0	Pending coordination of local cooperation.
Surfside-Sunset and Newport Beach	(BE)	24,500 */	6,214	0	0	18,286	0	300	Initiate periodic beach nourishment.

OPERATIONS AND MAINTENANCE PROJECTS

(Amounts in Thousands)

Project	Actual Obligations FY 1981	Conference Allowance FY 1982	FY 1982 Work Allowance 1 Jan 82 1/	FY 1983 President's Budget	FY 1983 2/ Capability	Purpose of Additional Capability
Bodega Bay Harbor	153	0	0	0	0	Harbor depths adequate for current use.
Channel Islands Harbor	119	2,292	2,292	1,800	2,000	Dredge sand trap (200).
Crescent City Harbor	255	1,347	1,347	0	993	Breakwater repair (811) and dredge Outer Harbor (182).
Humboldt Harbor and Bay	1,631	1,478	1,478	2,433	2,905	Dredge Bar and Entrance Channel and Fields Landing and North Bay Channel (338); and jetty repairs (134).
Los Angeles-Long Beach Harbors	0	0	0	0	0	Harbor depths adequate for current use.
Los Angeles-Long Beach Harbors Model	107	980	980	120	120	No additional requirements pending determination of appropriate scope of future model tests and data collection efforts for local interests.

*/ Estimated Federal cost subject to reduction for projects which may have upfront financing from local interests.

†/ Cost estimate includes an allowance for inflation through the construction period.

1/ Note: FY 1982 Work Allowances are as of Jan. 1, 1982.

2/ (See page 1 for footnote)

3/ Specific wave data collection activities could be performed if funded in the amount of $880,000, consistent with past biennial studies.

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OPERATIONS AND MAINTENANCE PROJECTS
(Amounts in Thousands)

Project	Actual Obligations FY 1981	Conference Allowance FY 1982	FY 1982 Work Allowance 1 Jan 82 1/	FY 1983 President's Budget	FY 1983 2/ Capability	Purpose of Additional Capability
Marina Del Rey	967	0	0	0	0	Harbor depths adequate for current use.
Morro Bay Harbor	40	0	0	0	2,000	Dredge Entrance, Navy and South Morro Channels (1,400); and repair rock revetment (600).
Moss Landing Harbor	341	300	300	59	59	No additional requirement.
Napa River	843	100	100	0	0	Channel depths adequate for current use.
Newport Bay Harbor	329	0	0	0	0	Harbor depths adequate for current use.
Noyo River and Harbor	246	436	436	0	406	Dredge entrance and river channels.
Oakland Harbor	444	1,446	1,446	1,072	1,361	Dredge Inner and Outer Harbor Channels (289).
Oceanside Harbor	999	700	700 0/	1,088	1,088	Dredge harbor 4/
Petaluma River	356	1,500	1,500	0	475	Dredge across San Pablo Bay Flats.
Port San Luis	0	0	0	0	300	Breakwater repair.
Redondo Beach Harbor (King Harbor)	46	175	175	0	0	Harbor depths adequate for current use.
Redwood City Harbor	1,199	90	90	0	4,212	Dredge entrance and inner channels.
Richmond Harbor	600	671	671	1,905	2,316	Dredge Inner and Outer Harbors.
Sacramento River	2,389	3,137	3,137	121	2,545	Dredge Deep Water Ship Channel (1,300); operation and maintenance W. G. Stone Lock (374); stone protection Deep Water Ship Channel (300); and snagging and clearing (250).
San Diego Harbor	0	0	0	0	300	Repair light base foundations, Zuniga Jetty.
San Diego River and Mission Bay	0	0	0	400	400	No additional requirement.
San Francisco Bay - Delta Model Structure	740	513	513	932	932	No additional requirement.
San Francisco Harbor	41	1,987	1,987	1,335	1,764	Dredge Bay and Entrance Channel.
San Joaquin River	0	140	140	2,700	2,700	No additional requirement.
San Leandro Marina	0	62	62	0	606	Dredge auxiliary channels and entrance channels.
San Rafael Creek	265	0	0	0	0	Harbor depths adequate for current use.
Santa Barbara Harbor	821	763	763	0	950	Dredge entrance channel.
Santa Cruz Harbor	555	595	595	306	1,193	Dredge harbor and entrance channel (433); and seal west jetty (454).
Suisun Bay Channel	298	358	358	654	654	No additional requirement.
Suisun Channel	51	541	541	0	0	Channel depths adequate for current use.
Ventura Marina	1,043	1,162	1,162	2,500	2,720	Dredge harbor.
Drift Removal (S.F. Harbor and Bay)	1,299	1,426	1,426	1,553	1,553	No additional requirement.

0/ Design sand bypass system.

1/ Note: FY 1982 Work Allowances are as of Jan. 1, 1982.

2/ (See page 1 for footnote)

4/ It is anticipated that a significant portion of sand by-passing facility could be constructed in the first year for approximately $5 million.

ADDITIONAL PREPARED STATEMENTS

Senator JOHNSTON. I also want to thank each witness for being here today—your appearance is important as is your continued interest and support for the water resource development program.

The additional supporting statements you referred to, Mr. Langner, will be incorporated in the record at this point.

[The statements follow:]

STATEMENT OF CHARLES F. CONNORS, CHIEF HARBOR ENGINEER, PORTS OF LONG BEACH AND LOS ANGELES

I am Charles F. Connors, Chief Harbor Engineer of the Port of Long Beach, California. I have been authorized by the Board of Harbor Commissioners of the City of Long Beach to represent the Port of Long Beach in regard to appropriations for the San Pedro Bay Transportation Study, for the Los Angeles-Long Beach Harbors Study, for Hydraulic Model Maintenance, and for the San Pedro Bay Hydraulic Monitoring Program.

The Water Resources Development Act of 1976, in Section 163, authorized the Chief of Engineers to conduct a study of water and land transportation needs resulting from expansion and further development of the ports of San Pedro Bay. The San Pedro Bay Transportation Study, initiated under a Fiscal Year 1978 appropriation, covers in depth the present and anticipated future needs for railroad and highway facilities to serve the two-port complex and the navigational aspects for commercial shipping and recreational boating. The President's budget for Fiscal Year 1983 includes $180,000 to complete this study. Accordingly, the Port of Long Beach respectfully requests Congress to appropriate $180,000 for Fiscal Year 1983 for this study, commensurate with the Corps of Engineers' capability.

In addition, the Los Angeles-Long Beach Harbors Study which has been in process since 1964 is scheduled for completion in fiscal 1983. The Corps capability for this study is possibly $441,000 and it is essential that it be completed to determine land and navigational channel requirements. The completion of the study would finalize an in-depth investigation into alternatives for harbor expansion and improvements to the year 2020 and would allow the Corps of Engineers, Los Angeles District, to permit expansion projects, consistent with the study in an expeditious manner. It is therefore urged that the Committee approve an appropriation of $441,000 to match the Corp's capability.

The Water Resources Development Act of 1976, Section 123, also authorized the Chief of Engineers to operate and maintain the Los Angeles-Long Beach Harbor Hydraulic Model in Vicksburg, Mississippi. In the President's budget for Fiscal Year 1983, $120,000 has been included to maintain that model. Congress is respectfully requested to appropriate $120,000 under O & M funding for Fiscal Year 1983 for this project, commensurate with the Corps of Engineers' capability.

The Corps of Engineers has initiated a five-year study of tidal circulation and energy for the Long Beach/Los Angeles Harbors. The Port of Long Beach long-term plans for deeper channels (76 to 80 feet) and companion landfills to accomodate large bulk carriers for much needed international trade, predominately coal exports, is contingent on obtaining such hydraulic data and subsequent model testing in a timely manner. The President's budget for Fiscal Year 1983 does not include O & M funding needed to acquire and place instrumentation for this program by the Waterways Experiment Station. It is currently estimated that an appropriation of $980,000 would fund this much-needed continued information-gathering program. Congress is therefore respectfully requested to appropriate $980,000 for Fiscal Year 1983 for this program. It is believed that the Corps of Engineers is capable of continuing the program if funded.

The modernization and expansion program of the Port of Long Beach is estimated to be in excess of $200,000,000 of local funds for the decade of the 1980's, and a similar or greater growth in the 1990's. Our current two-year program will utilize all existing available land areas. The subsequent programs can be carried out only if additional landfills and companion deep water channels and berths can be provided. Design of these programs is dependent on data obtainable from hydraulic monitoring of San Pedro Bay and hydraulic model testing, results of the Los Angeles-Long Beach Harbors Study, and results of the Transportation Study for San Pedro, which are scheduled for completion in Fiscal Year 1983.

Also, we find the current Corps of Engineers project to dredge the Los Angeles Harbor main channel to minus 45 feet, as authorized by the Congress in October 1976, to be in the best interest of overall utilization and development in San Pedro Bay and recommend its continued funding.

Attached hereto is Resolution No. HD-1221 adopted by the Board of Harbor Commissioners of the City of Long Beach on March 22, 1982, which contains data relating to the background of the Los Angeles-Long Beach Harbors Study, hydraulic modeling, the San Pedro Bay Transportation Study, and other related matters, and which stresses the need for federal assistance in developing economic, technical and environmental background information essential to design and permitting of port facilities vital to regional and national interests. Agencies benefitting from these studies in San Pedro Bay include, but not limited to, the Cities and Ports of Long Beach and Los Angeles, Los Angeles County, the State of California, the United States Navy and Coast Guard, and various State and Federal Environmental Agencies.

RESOLUTION NO. HD-1221

A RESOLUTION OF THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH REQUESTING THE CONGRESS OF THE UNITED STATES TO APPROPRIATE FUNDS FOR HYDRAULIC MODEL MAINTENANCE, SAN PEDRO BAY WAVE AND TIDAL CIRCULATION MONITORING PROGRAM, AND TRANSPORTATION STUDIES BY THE UNITED STATES ARMY, CORPS OF ENGINEERS RELATING TO IMPROVEMENTS IN SAN PEDRO BAY AND MAKING A DETERMINATION RELATING THERETO

WHEREAS, the Ports of Long Beach and Los Angeles in San Pedro Bay, California are two of a limited number of sites on the West Coast which possess the potential for deep water ports as recommended in the West Coast Deep Water Port Facilities Study conducted by the United States Army, Corps of Engineers; and

WHEREAS, the Ports of Long Beach and Los Angeles have a record of physical and fiscal growth to the end that together the two are presently handling over 82 million metric tons of cargo annually valued at over $28 billion, which growth and activity are significant economic regional and national factors, and from which over $1.1 billion in federal revenues from foreign imports are derived annually through United States Customs; and

WHEREAS, both Ports are now and are becoming increasingly hard-pressed to provide facilities to meet the needs of the shipping industry, and to that end are conducting extensive studies in conjunction with federal studies, to determine navigational, transportation, and environmental requirements to provide economic and adequate surge-free berthing and cargo handling facilities; and

WHEREAS, completion of the studies currently underway by the Corps of Engineers, which include the Los Angeles--Long Beach Harbor Study as requested by the Committees on Public Works of both the House and Senate; the maintenance and operation of the San Pedro Bay hydraulic model at Vicksburg, Mississippi, as authorized by Section 123 of the Water Resources Development Act of 1976; and the San Pedro Bay Transportation Study as authorized by Section 163 of the Water Resources Development Act of 1976 are all urgently needed for use in the design and permitting processes for future land fills for Port development; and

WHEREAS, to obtain long term data on the hydraulic regime in San Pedro Bay which activity consists of a two to five year monitoring program utilizing self-contained recording instruments to determine currents and energy entering the Bay to augment earlier monitoring and to verify specific needs for hydraulic model testing to assure tidal flushing and surge-free berthing; and

WHEREAS, all existing land in the Port of Long Beach which can be developed for shipping operations will have been utilized by 1983, and to meet the needs of the following decade, the design, permitting and construction of new lands must commence immediately; and

WHEREAS, the Board of Harbor Commissioners of the City of Long Beach, as a properly constituted and financially responsible local agency, by its Resolution No. HD-890, adopted August 30, 1965, expressed its intent to enter into such agreements as may be reasonably required to further federal projects for the development and improvement of Long Beach and Los Angeles Harbors; and

WHEREAS, the Director of Port Planning of the City of Long Beach Harbor Department has determined in a review of the applicability of the California Environmental Quality Act of 1970 (CEQA) to this resolution, that under the provisions of Section

15060 of the State Guidelines implementing CEQA, this resolution is not subject to the requirements of CEQA;

NOW, THEREFORE, the Board of Harbor Commissioners of the City of Long Beach resolves as follows:

1. The Board of Harbor Commissioners of the City of Long Beach hereby finds and determines that this resolution is not subject to the provisions of the California Environmental Quality Act of 1970, as amended.

2. That the Congress of the United States be, and is hereby, respectfully requested to appropriate simultaneously the funds necessary for the Chief of Engineers, United States Army, Corps of Engineers, to complete the Los Angeles--Long Beach Harbor Study and the San Pedro Bay Ports Transportation Study.

3. That the Congress of the United States be, and is hereby, respectfully requested to appropriate simultaneously the funds necessary for the Chief of Engineers, United States Army, Corps of Engineers to maintain the Los Angeles-Long Beach Harbors hydraulic model at the Waterways Experiment station at Vicksburg, Mississippi.

4. That the Congress of the United States be, and is hereby, respectfully requested to appropriate simultaneously the funds necessary for the Chief of Engineers, United States Army, Corps of Engineers to continue a hydraulic monitoring program of San Pedro Bay to obtain prototype data essential to long range planning and design.

5. That the Executive Director of the Long Beach Harbor Department be, and he is hereby, directed to send copies of this resolution to the United States Senators and to Members of the House of Representatives from California, with a letter requesting their assistance in presenting this resolution before the proper Congressional committees.

6. That the Executive Director of the Long Beach Harbor Department be, and he is hereby, further directed to send copies of this resolution to the President of the United States; the Director, Office of Management and Budget; the Secretary of the Army; the Chief of Engineers; the Board of Engineers for Rivers and Harbors; the United States Division Engineers, San Francisco; the District Engineer, Los Angeles; and such other interested persons as he may deem appropriate.

7. The Secretary of the Board shall certify to the passage of this resolution by the Board of Harbor Commissioners of the City of Long Beach, and it shall thereupon take effect.

8. The Secretary of the Board shall cause this resolution to be published once in the official newspaper of the City of Long Beach.

I hereby certify that the foregoing resolution was adopted by the Board of Harbor Commissioners of the City of Long Beach at its meeting of ____________________, 1982, by the following vote:

Ayes: Commissioners: ______________________________
____
Noes: Commissioners: ______________________________
Absent: Commissioners: ______________________________

____
Secretary

STATEMENT OF DR. ERNEST L. PERRY, EXECUTIVE DIRECTOR, PORT OF LOS ANGELES, ON BEHALF OF THE LOS ANGELES BOARD OF HARBOR COMMISSIONERS

Mr. Chairman, I am Ernest L. Perry, Executive Director of the Port of Los Angeles, California, and I am representing the Los Angeles Board of Harbor Commissioners at this hearing. I appreciate this opportunity to address your committee to request Congressional appropriations which will assure the completion of projects critical to our harbor development.

Our port dredging project is, at this date, just over 50% completed with the deepening of our main channel, turning basins and inner harbor from -35 to -45 feet. This deepening is vital, not only to our own municipality but also to the California and national marketplace we serve. The project was authorized by Congress under the Water Resources and Development Act of 1976 (PL94-587) and even at that time, the need for prompt implementation was emphasized.

We are very pleased that the project is continuing on schedule, with anticipated completion in March 1983. Under the responsibility of the Los Angeles District Corps of Engineers, our primary contractor, Potashnick Construction Company of Cape Girardeau, Missouri, operates the electric Hydro Pacific dredge on a six-days-per-week schedule. This massive machine is one of the world's largest dredges with a cutter head capable of 500-foot sweeps of the harbor bottom. Use of this electric dredge assures that no additional air contaminants will affect the air quality of our Los Angeles basin during the 30-month, $61 million project.

Our harbor, as one of the world's largest man-made ports, cannot hope to meet the needs of the international shipping industry and its increasingly large vessels unless this deepening to -45 feet is completed. Even now, it has been estimated that 35% of the world's container fleet is unable to use our facilities because of deeper draft requirements. Mr. Chairman, we therefore urge your committee's approval of the $5.3 million which is included in the President's budget for fiscal year 1983. These funds, when matched with local contributions by the Port and City of Los Angeles, will complete the project.

An equally important benefit of the dredging of our harbor is navigational safety. Since a large percentage of the vessels engaged in international commerce cannot enter the Port of Los Angeles, lightering of bulk liquid cargo is a frequent practice. This results in time delays, increased operating costs and greater potential for safety hazards.

The federal share of the costs for the navigational improvements for Los Angeles harbor are being matched by $34.6 million in local contributions. As you know, Mr. Chairman, the federal government's role in port development is to provide channels and anchorages in the nation's navigable waters in the interest of commerce and national defense. The Corps has calculated the benefits of harbor deepening at 3.5 times the federal cost involved, with annual benefits to be derived valued at more than $14 million. Increased employment at the Port and in associated industries will further enhance and support the Southern California economy.

Completion of the dredging will not only open the harbor to increased trade, particularly in containerized cargo, but also will provide impetus for the more than $490 million to be spent during the next five years for capital development improvements at the Port.

At this very moment, we are very near completion of a dike to contain the 14 million yards of material being dredged from our channels. The 190 acres of land created by the dike and dredge spoil will, in the near future, be utilized to permit our harbor and the Western coal producers to meet the demand for increased amounts of coal export to Pacific Rim nations.

Mr. Chairman, just over a year ago, the Los Angeles Board of Harbor Commissioners approved the concept of development of a major coal handling terminal on this new land on Terminal Island. Such a facility will be capable of storing thousands of tons of steam coal and could load in excess of 20 million tons annually onto vessels approaching 250,000 dwt capacity. The annual throughput in our existing facility is approximately three million tons, serving markets in Japan, Korea, Taiwan and other Far Eastern countries and helping our own nation's economy.

The primary benefits of the deepening project are in the national interest, with significant impact on U.S. producers and consumers of waterborne commerce. This does not, however, take into consideration the growing movement of containerized cargo through the Port of Los Angeles and landbridge systems, to other parts of this country and western European nations. The intermodal, water-rail transportation movements have increased to the point that over one-third of the containerized cargo now is handled on a landbridge system. This growth is due in part to a diversion of cargo from the Panama Canal route to rail-water routes utilizing West Coast ports which have proven to be faster and more economical. The majority of containerships in existence are dedicated to the U.S. West Coast/Far East service. The Port of Los Angeles, Mr. Chairman, provides a direct link in this increased import/export traffic and is considered a primary gateway to the Pacific Rim. Certainly, this increase of intermodal traffic will improve our nation's balance of trade which is critical to the economic survival of our country.

Containerized cargo movements have created the need for another development at our port -- this time a joint project with ourselves, the Port of Long Beach and Southern Pacific Railroad. Work will begin soon on an Intermodal Container Transfer Facility within five miles of both ports. Containers will be trucked this short distance from the waterfront to the facility, then loaded onto trains for transportation inland. This project will decrease transport time and provide increased economic efficiency for intermodal traffic movement in Southern California. In planning for this development, the Ports of Los Angeles and Long Beach have projected increases in container traffic of between 8 and 15% annually in the next 20 years.

Mr. Chairman, our dredging, coal terminal and container yard are just three of over 50 projects included in our Port's overall capital development program to which we have committed an estimated $100 million per year over a five-year period. We have consistently led the nation in net profits among ports and have thus established a firm financial basis from which we can further develop our facilities. Our investments, coupled with those by the federal government, have yielded the highest return on investment of any port in the form of Customs collections added to other tax income generated.

But, to accomplish our capital development program, and for maximum return on both federal and local funding, we must have reliable engineering and environmental data on which to base our developments and planning efforts. Mr. Chairman, there are three other San Pedro Bay projects -- all vital -- which are under consideration for funding by your committee. They are the

San Pedro Bay Ports' Transportation Study; maintenance and operation of the Los Angeles/Long Beach Harbors hydraulic model at Vicksburg, Mississippi; and the Los Angeles/Long Beach Harbors Study.

The Transportation Study is in itself a vital tool, one which we are dependent upon to plan harbor and navigation improvements. We are, as I stated, a gateway, but the swift, efficient movement of goods from supplier to consumer via rail, freeway and pipeline transportation networks must be equal to the task of moving our ever-increasing cargo volumes through San Pedro Bay.

We are today requesting an appropriation of $180,000 which will complete the study now underway. This amount matches the amount in the President's budget and the Corps' capability. We urge approval of this level of funding.

The President's budget also contains $120,000 for the maintenance of the hydraulic model of Los Angeles and Long Beach Harbors at the Corps' Vicksburg testing facility. This amount would assure only maintenance of the model and we do, of course, urge approval of this appropriation.

However, the Corps of Engineers initiated a five-year study of tidal circulation and harbor resonance for the Los Angeles and Long Beach Harbor model study in fiscal year 1982. Any dredging or construction program planned in the harbor complex must address the items enumerated as objectives of the study relative to both environmental quality, such as tidal circulation, and the engineering soundness of proposed improvements, such as harbor resonance and ship response. Due to the technical complexity and the time required to execute these complex investigations, it will be impossible to respond in a timely manner to governmental agency requirements and permits for future developments and projects unless these studies are continued at Vicksburg. The assurance of a continuous testing program is essential if we are to successfully fulfill our responsibilities to the users and citizen-owners of our Port and its facilities.

The President's budget for fiscal year 1983 does not include funding for such an invaluable testing program, estimated at $980,000. We respectfully request that this committee favorably consider this request for an additional appropriation in the amount of $980,000 for the coming fiscal year. Since the testing project was initiated during the present fiscal year, we feel certain that the Corps of Engineers would be capable of continuing the study if additional funding is provided.

Realizing the importance of data from the hydraulic model, the Port of Los Angeles has, in fact, commissioned the Corps to complete an independent study to determine preventive measures regarding wave surge conditions in our Fish Harbor. Fish Harbor is home to our commercial fishing fleet and is earmarked for development in the next few years to assist this vital industry. For this "wave study" the Port has allocated $178,000 of its own funds toward assuring the safety of our commercial fishing boats which have made our harbor second in the country in terms of volume and value of catch.

The Corps also is involved in the third project I would like to discuss today. That is the Los Angeles/Long Beach Harbors Study which has been in progress since 1964. This study, for which the Corps' capability is $441,000, is essential to determine navigation channels and land requirements to handle the projected commerce through the two ports in San Pedro Bay. Mr. Chairman, current estimates indicate that in light of our capital improvements, total tonnage of some 75 million tons can be anticipated by the year 2000 for Los Angeles Harbor alone. The study is critical to our long range planning efforts toward this goal. Our dredging was at one time part of this study, but as I have indicated, the dredging is nearing completion as a separate entity. I urge that the Committee approve an appropriation of $441,000 to match the Corps' capability for this study.

As you know, Mr. Chairman, the Ports of Los Angeles and Long Beach share about equally San Pedro Bay in California. Together, these ports handle more than 100 million revenue tons of cargo annually and neither port alone has the facilities or capability of meeting the needs of commerce and navigation in Southern California. This is why the two ports together and as a single geographic harbor will benefit from the completed Transportation Study now in progress and which your committee has supported and funded in the past. The operation and maintenance of the hydraulic model and the other projects in San Pedro Bay that your committee and Congress have supported and funded over the years also are mutually beneficial.

We thank you, Mr. Chairman, and the members of your Committee for your past and continued support of our projects.

STATEMENT OF ROBERT E. DAVENPORT, COMMISSIONER, HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT, CALIFORNIA

Summary Request:

That the United States Army Corps of Engineers be funded for operation and maintenance of Humboldt Bay. Namely, to dredge the bar and entrance channel, the Fields Landing channel, the North Bay channel and for jetty repairs.

Specific Action:

To include $2,433,000.00 in the U.S. Army Corps of Engineers operation and maintenance budget.

Location:

Humboldt Bay, California is in the approximate midpoint of the Pacific Coast, 225 miles north of San Francisco and 156 miles south of Coos Bay, Oregon.

Economy:

Humboldt County's two major industries, timber and fishing, have been severely hampered by actions and regulations from outside the area driving unemployment up to 18.8%. The economic sphere of influence of Humboldt Bay includes parts of Southern Oregon and all of Humboldt, Siskiyou, Del Norte, Trinity and Mendocino Counties, most of which are similarly economically disadvantaged at this time.

Recommendation:

That the U.S. Army Corps of Engineers be funded in the amount of $2,433,000.00 to maintain Humboldt Bay for safe navigation.

General:

Humboldt Bay is an essential component of the economic health of this entire region and it is imperative that this great resource be kept viable, and with your continued assistance, this can be accomplished.

STATEMENT OF HARRELL FLETCHER, CHAIRMAN, SANTA BARBARA COUNTY (CALIF.) BOARD OF SUPERVISORS

Dear Senators:

The Board of Supervisors of Santa Barbara County is very concerned that the proposed budget does not include funding for the U.S. Army Corps of Engineers to continue their annual program of dredging the Santa Barbara Harbor. If the harbor is not dredged annually, it will close up within one year.

Closure of the harbor would cause a $44.7 million loss to our economy ($10 million - commercial fishing; $12 million - harbor business; $4 million - tourism; $18.7 million - lost investment). In addition, over 900 local jobs and 700 out-of-county jobs would be lost.

Geographically the harbor is essential for safety along the Central Coast of California. The closest harbor to the north is one hundred miles away, on the other side of Point Concepcion.

We urge you to continue funding for this very vital service to our county and state.

STATEMENT OF SHEILA LODGE, MAYOR, SANTA BARBARA, CALIF.

Santa Barbara Harbor has been subject to sand shoaling since its beginning in the 1920's. The harbor has been dredged annually to remove 350,000 cubic yards of sand buildup under the authority of the Army Corps of Engineers.

The Corps has always had statuatory responsibility for dredging and, in 1981, expended $743,000 for channel dredging. The Corps has indicated a $950,000 capability for this maintenance project in fiscal year 1983. The President's budget, however, contains no requested appropriation for Santa Barbara Harbor dredging (Appendix A).

Entrance channel dredging is vital to the harbor which shelters over 1000 boats year round. Santa Barbara Harbor provides the only shelter for vessels from Port San Luis to Ventura Harbor; 120 miles of rough water and rocky coastline (Appendix A_1). Eighty-five visiting boats, mostly commercial, use the harbor on a daily basis. Two hundred commercial fishing boats work out of Santa Barbara and land over 12,000 tons of fish annually. The fishing industry, employing over 600 persons locally, has the largest gill netting fleet in Southern California. In 1981, 9,300 tons of sea urchins were landed commercially in Santa Barbara. This comprised over 65% of all sea urchins landed in California and made Santa Barbara the largest sea urchin port in the world. Ninety percent of the product is exported to Japan, making a positive impact on the nation's trade deficit. Additionally, 700 jobs in Ventura and Los Angeles counties are dependent on this industry (Appendix B).

The harbor is a vital part of the local economy. In addition to commercial fishing, 300 jobs are involved in harbor and marine dependent businesses. This figure does not include persons in the tourist related industry (Appendix C).

Without dredging the harbor would be closed to navigation within one year. Those businesses relying on the harbor would be severely impacted and the fishing industry closed. This would impact federal, state and local tax revenues. Beaches to the east and south of the harbor would suffer erosion when the now annually replenished sand was no longer sent down coast through dredging (Appendices D and D_1). The loss to the local economy would be:

Commercial fishing	$10	million
Harbor & Marine business dependent on commercial fishing	1.6	million
Other Harbor & Marine dependent business	10.4	million
Tourism (Appendix E)	4	million
Property investment	18.7	million
	$44.7	million

Closure of the harbor would mean that commercial fishing vessels would have to move to harbors further from active fishing grounds. The added distance would double annual fuel consumption to a minimum of 1.5 million gallons. Marine construction and service vessels, the oil spill containment vessel, the Coast Guard cutter and the Navy's defense research vessel similarly would have to locate further from the area they serve. Response time to marine emergencies and oil spills would be doubled (Appendix F).

The harbor is vital locally, state-wide, and nationally. Acknowledging this need and seeking long-term solutions to dredging and storm protection problems, the City, in a completely local effort, has established a harbor preservation fund to aid in paying for future planning and improvements. Still, at this time, the harbor must be dredged annually to ensure its existence. The City urges that the $950,000 capability of the Army Corps of Engineers be included in the 1983 budget.

RESOLUTION NO. 82-037

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA REQUESTING THE CONTINUED FUNDING OF DREDGING OPERATIONS FOR SANTA BARBARA HARBOR.

WHEREAS, Santa Barbara Harbor has been subject to sand shoaling since 1920 and must be dredged annually to remove 350,000 cubic yards of sand build-up in order to maintain a navigable harbor entrance; and

WHEREAS, the Army Corps of Engineers has exercised the responsibility for the Harbor dredging; and

WHEREAS, without dredging, the Harbor would close to navigation within one year; and

WHEREAS, the Harbor is a vital part of the local economy, supporting the employment of 900 persons;

NOW, THEREFORE, be it resolved that the City Council of the City of Santa Barbara urges the President and the Congress to appropriate the necessary funds for the continued annual dredging of the Santa Barbara Harbor.

Adopted March 23, 1982

I, RICHARD D. THOMAS, City Clerk in and for the City of Santa Barbara, California, do hereby certify that the foregoing Resolution No. 82-037 was adopted by the City Council at the meeting held March 23, 1982, 9:00 A.M., by the following vote on roll call:

AYES: COUNCILMEMBERS:
MAYOR S. LODGE T. ROGERS
G. DEWITT
L. PEYNOLDS

NAYS: COUNCILMEMBERS:
NONE

ABSENT: COUNCILMEMBERS:
H. CONKLIN
J. GRAFFY
S. SMITH

IN WITNESS WHEREOF, I have hereto set my hand and affixed the official seal of the City of Santa Barbara this 23rd day of March 23, 1982.

(SEAL)

Lily Rossi
Deputy City Clerk

I HEREBY APPROVE this Resolution this 23rd day of March, 1982.

Sheila Lodge
Mayor

APPENDIX A

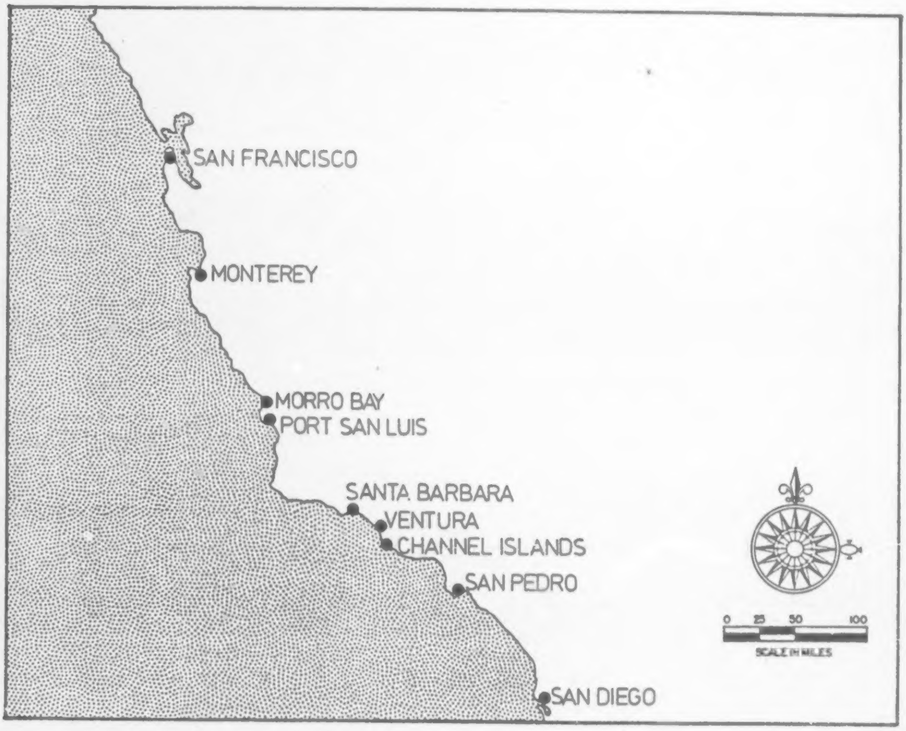
BACKGROUND

Santa Barbara Harbor is located between Port San Luis, 100 miles to the north, and Ventura Harbor, 20 miles to the south.

In this key geographical location, the harbor provides shelter to over 1000 boats year round. The vessels range in size from less than 25 feet to over 130 feet and the average boat size is 35 feet. The harbor provides refuge for boats transiting the area and for commercial vessels engaged in seasonal fisheries. Eighty-five visiting boats, mostly commercial, use berths every day of the year.

Santa Barbara Harbor has been subject to sand shoaling due to littoral drift since its inception. Annual dredging under the authority of the U.S. Army Corps of Engineers has been required to keep the channel open to navigation. A minimum of 350,000 cubic yards of sand must be dredged from the entrance each year. Without dredging, the harbor would be clogged with sand and closed to navigation within one year.

The Army Corps of Engineers with the statutory authority and responsibility to dredge the harbor expended $743,000 in 1981. The ten year average cost for dredging has been $750,000 and the Corps has indicated a $950,000 capability for Santa Barbara Harbor dredging in 1983. The President's budget, however, contains no requested appropriation for Santa Barbara Harbor dredging.



Unlike the numerous natural harbors on the East Coast, West Coast harbors are predominantly manmade and spread over longer coast lines. Closure of Santa Barbara Harbor would leave the south coast fishermen with only one alternative - to travel further to active fishing grounds.

APPENDIX B

COMMERCIAL FISHING

Commercial fishing is a substantial industry in Santa Barbara. Two hundred, or 20%, of the boats in the harbor are engaged in this activity. The fisheries include bottom fish, shark, crab, shrimp, abalone, swordfish, and sea urchin. Sea urchins account for 9300 tons of the more than 12,000 tons of fish landed in Santa Barbara annually. The local sea urchin fleet accounts for over 65% of all sea urchins landed in California and Santa Barbara has the largest, single-port, sea urchin operation worldwide.

Ten urchin processing plants, which employ 700 persons, obtain nearly all their product from Santa Barbara. The economic benefit is widespread with one plant located in Santa Barbara and nine in Ventura and Los Angeles counties. In 1981, 90% of the product was exported to Japan. The fleet has grown locally due to the harbor's close proximity to active fishing grounds.

Most of the other species of fish are processed in Santa Barbara. There are 200 jobs associated with the processing aspects of the industry while over 400 persons are employed as crew members on fishing boats. The Santa Barbara fish processing and wholesale industry does about $10 million worth of business per year and is totally dependent on the harbor. The fishing fleet would have to relocate or cease operation if the harbor were to close. Relocation would double fleet fuel consumption to a minimum of 1.5 million gallons per year. This added cost of fuel would be reflected in increased wholesale and retail fish prices. Sea urchin processors believe that the market could not tolerate increased costs and prices and that this growing industry would be seriously curtailed.

APPENDIX C

HARBOR AND MARINE DEPENDENT BUSINESSES

Many other businesses in the City have grown up around the harbor. The boat, marine equipment, engine manufacturing, and sales and service enterprises employ approximately 100 persons. Two hundred persons are employed in boat services, repairs, chandleries, sport fishing, and restaurants within the harbor itself. A total of approximately 300 jobs are attached to harbor and marine dependent businesses. Enterprises in the harbor alone do approximately $12 million in business annually and all are immediately dependent on the operation of the harbor.

APPENDIX D

PROPERTY INVESTMENT

Dredging serves two functions: 1) Maintaining a navigable harbor channel; and, 2) Replenishing sand on down-coast beaches. Sand continually flows along beaches in a west to east littoral drift. This sand settles out and clogs the harbor entrance. Meanwhile, deprived of nourishment, easterly beaches erode as sand is carried off. In the process of dredging, the easterly beaches are nourished with sand dredged from the harbor. Without the resupply of sand to beaches, the sand would soon be depleted. Within a year, there would be deep erosion and coastal property would be threatened. Damages could approach $5 million.

The value of boats berthed in the harbor is set at $20 million by the County Tax Assessor. If the harbor were to be unusable, boats would be trapped in the harbor, forced to move to other harbors, or to anchor outside the harbor. Due to the insufficient supply of berths in Southern California, boats would cease being assets and, instead, be liabilities. It is not unrealistic to expect boat values to diminish by 50% or $10 million.

The City has constructed marinas and piers to serve boats. The current depreciated value of the marinas is $3.7 million. This value would be lost. In 1981-82 $1 million of maintenance and improvements have been undertaken. Stearns Wharf has been the object of $4 million in structural renovation and improvements. The wharf would continue to operate although with decreased attractiveness at the onset. In time, shoaling, however, would modify the surf line so that winter storms would threaten the structural integrity of the wharf.

The City recognizes the importance of the harbor and will be seeking long-term solutions to dredging and storm protection problems. In a completely local effort, the City established a harbor preservation fund in 1980-81 by resolution. Not intended for operating costs, the current balance of $350,000 is to be increased annually in order to establish the City's contribution to the costs of a new breakwater.

In 1980, dredging of West Beach to replenish sand on easterly beaches and to open more small craft sailing water was accomplished through a $600,000 grant from the California Department of Boating and Waterways. The City, from local revenues, is undertaking a $100,000 dredging project inside the sand bar to open navigational channels, preserve a mooring area, and increase storm protection. A like amount will be budgeted in FY 1982-83 and thereafter approximately $100,000 will be budgeted every other year.

APPENDIX E

TOURISM

Approximately 6,700,000 tourists come to the Southcoast area annually. The Southcoast covers approximately 25 miles, including Carpinteria, Santa Barbara, and Goleta. According to Chamber of Commerce surveys, 16%, or one million tourists come to the Santa Barbara area specifically to enjoy the ocean and harbor; 5% or $4,000,000 of tourist dollars are spent on recreation, sport fishing, and water related activities. The major Southcoast center for such activities is the Santa Barbara harbor. Closing the harbor would impact the tourist industry and local and state tax revenues derived from this industry.

APPENDIX F

OTHER IMPACTS

Two missions supported by the harbor are marine safety and environmental protection. The Coast Guard cutter berthed in the harbor has an area of responsibility for search and rescue and law enforcement over thousands of square miles from the Santa Barbara coastline to the Channel Islands. Closure of the harbor would necessitate moving the cutter to another location which would double its response time to marine emergencies often involving the preservation of life in the Santa Barbara and Point Conception areas. An oil containment vessel is moored in the harbor to provide quick response to oil spills. Lease sale Nos. 48 and 68 increase the need for a ready response service in the event of an oil spill in those lease tracts. Moving this vessel to a new location would double its response time to an oil spill emergency in the Santa Barbara Channel. Substantially increased ecological damage will occur if containment and cleanup efforts are delayed from two to four hours.

The Navy defense research vessel moored in the harbor has been conducting national defense research in the Santa Barbara Channel for the past 20 years. Harbor closure would necessitate relocating the vessel further from its research area at Santa Cruz Island and technical support in Santa Barbara. Other marine construction and service vessels presently berthed in the harbor would similarly have to relocate and be further from the area they serve.

A harbor closure would impact a large population of boaters who, unable to obtain permanent berth, bring their vessels to the harbor on trailers and launch them for pleasure boating, sportfishing, and commercial fishing. There are approximately 20,000 trailer boat launchings each year. Closure of the harbor would force these boaters to trailer their boats to lakes or other harbors. For many, increased fuel costs would be incurred. Many users might opt to sell their boats.

APPENDIX G

SUMMARY OF ECONOMIC AND EMPLOYMENT IMPACTS

I. COMMERCIAL FISHING		
Total Loss of Income for Fish Landed or Processed Locally		$10,000,000
II. HARBOR & MARINE BUSINESS DEPENDENT ON FISHING		
Fuel Dock	$ 1,280,000	
Chandleries, etc.	320,000	1,600,000
III. OTHER HARBOR & MARINE DEPENDENT BUSINESS		
Fuel Dock	$ 220,000	
Sportfishing	1,000,000	
Chandleries, dive shops, etc.	1,280,000	
Yacht Brokerages	6,000,000	
Other Marine Oriented Businesses	1,900,000	
Total Loss of Income		10,400,000
IV. TOURISM		
Total Loss of Tourist Dollars Spent		4,000,000
V. PROPERTY INVESTMENTS		
Property Damage Due to Beach Erosion	$ 5,000,000	
Boat Value @ 50% of $20,000,000 Assessed Value	10,000,000	
City Marina Investment (Deprec. to 1981)	3,700,000	
Total Investment Loss		18,700,000
TOTAL LOSS OF INCOME AND INVESTMENTS		$44,700,000

EMPLOYMENT

I. COMMERCIAL FISHING INDUSTRY		
Crews employed on fishing vessels	- 400 jobs	
Fish Processing - Local	- 200 jobs	
Fish Processing - Ventura/L.A.	- 700 jobs	
II. MARINE ORIENTED BUSINESSES - Local	- 300 jobs	
TOTAL LOSS OF JOBS		1,300 Jobs

Los Angeles-Long Beach Harbors, Calif.

STATEMENT OF HON. GLENN M. ANDERSON, U.S. REPRESENTATIVE FROM CALIFORNIA

Senator Johnston. Next, we welcome Congressman Anderson. We are pleased to have you here today.

Mr. Anderson. Thank you, Mr. Chairman, and first I want to just compliment you on those off-the-cuff remarks you made a moment ago on user tax. We have been holding hearings on the subject for the last several weeks over in that other body, and I have come to somewhat the same conclusion as to pointing out in my own area that our custom receipts alone last year were $1.3 billion. That is a pretty good user tax, and if we add any more we might just tax ourselves out of competition.

But that is not what I am here for.

Senator Johnston. Total custom collections in the Nation is over $9 billion, so that is a pretty good tax.

We could put a tax on it, but who pays how much and how do you divide it up.

Mr. Anderson. We could make it so that our port could not compete with ports in our country.

I want to thank you for this opportunity to speak before your subcommittee to discuss important issues affecting two of the world's greatest ports, Los Angeles and Long Beach—both located in my congressional district. I do want to inform you at the outset that my testimony should be considered in addition to the expert testimony submitted by the California Marine and Navigation Conference which you have just heard.

Today, I will address the following issues which your subcommittee has exclusive funding jurisdiction over and which are vitally important to the continued success of Los Angeles and Long Beach Harbors. These issues are Los Angeles Harbor dredging; San Pedro Bay ports transportation study; Los Angeles-Long Beach Harbors model study; and Los Angeles-Long Beach Harbors study.

In 1976, Congress authorized the deepening of Los Angeles Harbor's main channel, turning basin, and inner harbor from 35 to 45 feet. This key project is right on schedule with anticipated completion in March 1983. Both ports urge this subcommittee to accept the $5,323,000 figure within the Corps' fiscal year 1983 budget request to complete this project.

San Pedro Bay Port Transportation Study

Turning to the San Pedro Bay Port transportation study, I strongly urge you to approve the Corps' requested sum of $180,000 to complete this important study. Authorized by section 163 of the Water Resources Act of 1976, the objective of this comprehensive study is to unite the efforts of the Port of Long Beach, the Port of Los Angeles, and the Long Beach Naval Shipyard in reviewing and improving their transportation needs. A preliminary analysis was released by the Corps in January 1979 and provided badly needed information to Federal, State, and local officials in the effort to improve the area's entire transportation system. I repeat that the $180,000 requested by the Corps will bring this study to an end.

Los Angeles-Long Beach Harbors Model Study

Another important project which concerns both ports is the Los Angeles-Long Beach Harbors model study located in Vicksburg, Miss. This hydraulic model was authorized by Congress with the objective to determine the occurrence and severity of troublesome wave oscillations in the existing harbor; investigate tidal circulation in present and future harbors; determine the optimum plan of future expansions for providing safe and economical berthing areas; and analyze the effect of extensive expansion of docking facilities on mooring conditions and tidal circulation.

The Corps fiscal year 1983 budget request contains $120,000 for operation of the Vicksburg model. This sum of money is an annual base sum and would only cover general maintenance of the model—no testing could occur and, hence, needed data could not be gathered. It is important to note that during our present fiscal year, the Corps commenced work on a projected 5-year study of harbor tidal circulation vis-a-vis planned harbor modifications. Obviously, with only $120,000, this project will come to a standstill. With the anticipated expansion of the ports' coal trade to Pacific rim countries, dredging of the harbors will be needed to accommodate large colliers. However, I have been informed that even though a dredging project might be authorized to deepen the channels, studies using the model will be needed for project evaluation before dredging can commence. Hence, a dredging project for these ports might be needlessly delayed because required tests will not have been completed. These tests should be continued and in process on the model in fiscal year 1983. The sum of $980,000 was appropriated during our current fiscal year. Since this long-range project began this fiscal year, and since I understand the Corps has expressed the capability of $1 million for this project should funds be made available, I strongly urge that needed testing be fully funded.

Los Angeles-Long Beach Harbors Study

The final program which both ports support is the Los Angeles-Long Beach Harbors study. This study, initiated in 1964, is scheduled for completion in fiscal year 1983. This is a marine-related project only and should not be confused with the San Pedro Bay ports study I mentioned earlier. This study is to determine navigational channels and land requirements for both ports. I have been informed that the Corps has a $441,000 capability in fiscal year 1983 to wrap this project up. The completion of this study would bring to an end this comprehensive and far-reaching investigation into alternatives to harbor expansion and improvements to the year 2020. With this in mind, I request your subcommittee to approve an appropriation of $441,000 to match the Corps' capability and bring this study to an end.

In conclusion, Mr. Chairman, I would just like to again commend you for scheduling this hearing and look forward to working with you and your staff during deliberation of this year's Corps budget.

I do want to ask unanimous consent to place in the record so they will not have to read these, the statements by Dr. Perry, director, Port of Los Angeles, and Les Westfall the acting director of the Port of Long Beach for the record.

Senator JOHNSTON. Thank you, Congressman Anderson. The Port of Long Beach has grown to 41 feet?

Mr. ANDERSON. We are dredging that from 35, currently, to 45 feet. That is just the Los Angeles side. That project is almost completed, and it will be completed this year, and that brings the first 5 miles I mentioned complete.

Senator JOHNSTON. The appropriations this year will complete the project?

Mr. ANDERSON. Yes, sir; we started it last year after waiting 12 or 13 years; it is very exciting.

Senator JOHNSTON. Your new study you envision 55 feet?

Mr. ANDERSON. Well, I believe both—Long Beach already has 60 feet out in the front edge of that port, they are talking about deepening further in toward the upland area. Los Angeles side is talking about 60 out there in their outer harbor and when they get into the coal business, where the big colliers will be coming in; right now we are at 45 feet, or will be at the end of next year, and 60 on the outer rims of Long Beach. I think Long Beach has deeper channels than Los Angeles.

Senator JOHNSTON. You have been a great leader in this area, Congressman Anderson, and we thank you for your cooperation throughout the years on this and other projects.

Mr. ANDERSON. Thank you, Senator.

CALIFORNIA WATER RESOURCE DEVELOPMENT PROJECTS

STATEMENT OF SCOTT FRANKLIN, CHAIRMAN, CALIFORNIA WATER COMMISSION

Senator JOHNSTON. Next, we have Mr. Scott Franklin, chairman of the California Water Commission, who will coordinate the presentation of several witnesses on various California water projects.

Mr. FRANKLIN. Thank you, Mr. Chairman.

In the interest of brevity, I am going to submit a more extensive statement for the record, but I would like to just make a couple of points here, that the State of California is very interested in.

COST-SHARING POLICY

We would like you to know we support development and implementation of the uniform Federal policy on cost sharing for water projects; historically have shared a number of these type of projects, and we would like to see this policy continue, but we think it is the purpose of Congress to implement such a policy and do it in a uniform way so that that is a nationwide policy.

We have a problem with some of the upfront aspects that the Corps of Engineers is putting out in terms of incremental financing. It is very difficult to have national implementation of such a policy; we would hope that there is some softening on that.

We presently have two major projects in California, one of which is in the planning stage on Shasta Dam in the State of California is participating in that on a 50–50 cost-sharing basis. The county and the State reclamation board are working with the Corps of Engineers to meet financial criteria for cost sharing, and we will discuss this later on in the program with you.

RECLAMATION LOAN PROGRAM

We have a serious problem arising in that the Secretary of Interior is avoiding decisions on loan applications to the Congress even though many local agencies have met all the requirements. These projects are the most beneficial, low-overhead programs available to small water districts for projects vitally needed to insure reliable water delivery systems. These projects are particularly important to local districts since the work is accomplished at the local level. No decision at all prevents the districts from looking seriously at alternatives. We are asking you to require the Secretary of Interior to render a decision, and we are supporting the funding for these loan programs. In fact, what has occurred is that through your efforts, delivery of water systems has been implemented, but the farmers are unable to take advantage of the water because the system bringing the water to the field is not in place, and I don't know what the rationale behind this kind of a decision is, but it is seriously impacting agriculture in the State of California.

San Felipe Division

We are supporting the President's budget for major ongoing construction programs in San Felipe and Red Bluff Reservoir and I would, therefore, strongly urge you to take no action to reduce the budget levels in either one of these projects, particularly the San Felipe project, or we will have serious impacts on the areas in the vicinity of San Jose, Santa Clara County.

We are supporting continuing construction of the Tehama Colusa Canal distribution systems and related facilities; we support the concept of the San Luis drain to maintain a salt balance in the westside of the San Joaquin Valley. Extension of the drain to the north and south of Kesterson Reservoir is dependent upon reauthorization of the San Luis drain.

We also support appropriations for the Hansen Dam interim investigation together with full funding for the other Los Angeles County drainage area programs.

So with that I would ask that my detailed statement be made part of the record and proceed to call our first witness.

[The statement follows:]

STATEMENT OF SCOTT E. FRANKLIN, CHAIRPERSON, CALIFORNIA WATER COMMISSION

Mr. Chairman and members of the Committee: I am Scott E. Franklin, Chairperson of the California Water Commission, an official agency of the State of California. The Commission is composed of nine representative citizens from throughout the state who are charged by statute with representing State and local interests before this Committee.

I appreciate the opportunity to appear before you with the official recommendations of the State of California for fiscal year 1982-83 appropriations. As in the past, I am one of several California representatives planning to make a coordinated presentation. I will make a general statement highlighting our overall program and then introduce the various supporting representatives who will speak on behalf of specific projects.

The attached tabulation contains our specific recommendations, and I will mention a few of the projects which reflect our efforts to develop environmentally sensitive projects through extensive public participation.

We see a critical need for the development and implementation of a uniform federal policy of cost sharing for water projects. Recent statements show the Department of the Army requiring 100% up-front funding for water supply and energy projects, while the Department of the Interior's proposal does not require the up-front funding. It appears that Congress may have to take the lead in developing a uniform federal policy.

Corps of Engineers Program. The Board of Supervisors of Merced County and the State Reclamation Board are working with the Corps of Engineers in an effort to meet financial requirements of the administration for the Merced County Streams Project. We support these efforts. However, since Congress has not adopted new uniform cost sharing requirements, we support adequate funding for construction of the project under existing law.

We support adequate funding for the Guadalupe River survey in Santa Clara County to complete pre-construction planning studies in a timely manner. The project is needed to protect the citizens of Santa Clara County and prevent damages to existing facilities.

We support funding for the Santa Ana River and Orange, Riverside and San Bernardino Counties, wherein studies are continuing along tributary streams. The study will include the flooding problems around Lake Elsinore and an extension of the San Jacinto River levee.

The Santa Ana River poses one of the most serious flood threats in California and we support funding to start Phase II studies for Alternative 6, the All River Plan, including the acquisition of a 100-acre marsh at the mouth of the river.

The proposed San Francisco Bay baseline investigation is to determine the representative baseline, physical and chemical characteristics of the San Francisco Bay system and the Sacramento-San Joaquin River Delta in those areas subject to tidal influence. The study will describe the environmental and ecological conditions as well. We urged the initiation of the investigation and worked with federal and local agencies on Congressional authorization.

The Board of Supervisors of Contra Costa County has held extensive hearings on the Wildcat and San Pablo Creeks project. A plan of flood protection and financing acceptable to the majority of the residents is nearing completion. We support appropriations to continue needed Corps' activities.

We support appropriations for the Red Bank and Fancher Creeks project so that it may now proceed through construction design up to the point of final plans and specifications.

The California Department of Water Resources and the Corps of Engineers have approved a letter of agreement dated February 3, 1981, regarding studies and tests to be conducted by the Corps to determine whether deepening the Stockton and Sacramento Ship Channels will cause a significant or measurable increase in salinity incursion. The Corps is planning to install in the the Corps' Bay-Delta model an improved system to measure and to record changes in salinity and other related matters. We support that program.

Sediment is accumulating in the reservoir area behind Hansen Dam. The Corps has budgeted funds for a study of rehabilitating this project under the Los Angeles County Drainage Area investigation. We support appropriations for the Hansen Dam interim investigation together with full funding for the other Los Angeles County Drainage Area programs.

Increasing urbanization on the Antelope Valley in Los Angeles requires reactivation of the Antelope Valley investigation in order to obtain the data to assure adequate flood plain management. We support funding for that program. The County of Los Angeles also supports these programs.

We are gratified that the Corps of Engineers has been able to initiate a statewide assessment of flood plain management in California using existing authorities. The Corps is funding this work from Section 22 appropriations. We support that allocation of $200,000 in Section 22 funds for California to continue this needed work in 1982-83.

We support the President's budget under which the Corps will be able to continue the Sacramento River and Tributaries bank protection and erosion control investigation.

We are supporting appropriations of funds for resumption of the Sacramento River, Chico Landing to Red Bluff bank protection project. The State Reclamation Board has renewed its support. The outstanding issues have been resolved and the project can now move ahead.

Bureau of Reclamation. We strongly urge that Congress take no action to underfund or reduce the budget levels proposed by the President for the San Felipe Division of the Central Valley Project. Any reduction will seriously disrupt the schedule of this project for meeting the water needs for the people in Santa Clara and San Benito Counties. These counties have planned and financed joint facilities. The financing and water supply for these facilities are dependent on the completion of the San Felipe project on schedule.

A joint feasibility study on enlarging Shasta Dam is now underway by the California Department of Water Resources and the U. S. Bureau of Reclamation. The objectives are to increase water supplies for the federal Central Valley Project and the State Water Project, increase power generation, improve fisheries and recreation conditions, and provide additional flood control along the Sacramento River. It should be noted this is a 50-50 cost sharing investigation. The Commission was one of the initial supporters of this investigation. We thank the Congress for your support in FY 82 and urge appropriations in FY 83.

The Secretary of the Interior is avoiding decisions on submittal of - P.L. 130 and P.L. 984 loan applications to the Congress even though many local agencies have met all requirements. These programs are the most beneficial, low overhead, programs available to small water districts for projects vitally needed to ensure reliable water delivery systems. These programs are particularly important to local districts since the work is accomplished at the local level. No decision at all prevents the districts from looking seriously at alternatives. The Commission urges the Congress to require the Secretary to forward these reports.

The Buckhorn Mountain project in the Trinity River basin, with other related programs, will provide stream rectification of the Trinity River of the federal Central Valley Project. It is the key to restoring the fisheries in the Trinity River. We support appropriations for the Bureau of Reclamation to perform field and dam design. We support appropriations for initiation of sand dredging. Under terms of state and federal agreement, the state will pay 50 per cent of the sand dredging costs.

The federal-state Trinity River Task Force has completed a Trinity River Basin Fish and Wildlife Management Program which has been approved by all member agencies. We support appropriations for the first year of the program.

The Bureau of Reclamation has held the first public meeting on the reactivation of the Santa Margarita project. It will provide emergency storage for the Fallbrook area. Additionally, it will provide supplemental water for the U. S. Marine Corps' Camp Pendleton. We support early completion of the environmental and feasibility studies.

We reaffirm our support of the concept of the San Luis Drain to maintain a salt balance in the westside of the San Joaquin Valley. Extension of the drain to the north and south of Kesterson Reservoir is dependent upon reauthorization of the San Luis Drain.

The Commission reaffirms its support of joint federal and state Delta Support Studies including the Suisun Marsh. We thank the Congress for funding the construction of the initial Suisun Marsh facilities in FY 82.

We support continuing construction of the Tehama-Colusa Canal distribution systems and related facilities.

I urge this Committee to favorably consider our recommendations for appropriations for California's energy, flood control, and water resources programs in FY 1982-83.

RECOMMENDATIONS
FEDERAL FLOOD CONTROL AND RECLAMATION PROGRAMS IN CALIFORNIA FOR FISCAL YEAR 1982-83
(In Thousands of Dollars)

CWC. NO.	PROJECT & COUNTY	TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
	GENERAL INVESTIGATIONS - SURVEYS				
1.	Alameda Creek (Upper Basin)	1,290	1,020	170	170
1A.	Antelope Valley Streams Los Angeles	1,590	545	0	100
2.	Calleguas Creek Ventura	1,725	915	100	100
	Commission supports adequate funding for pre-project fish and wildlife studies.				
3.	Guadalupe River Santa Clara, Alameda	1,770	1,464	0	270
	Funds would complete pre-construction studies.				

Amounts in parentheses () are for pre-construction planning.

RECOMMENDATIONS
FEDERAL FLOOD CONTROL AND RECLAMATION PROGRAMS IN CALIFORNIA FOR FISCAL YEAR 1982-83
(In Thousands of Dollars)

GENERAL INVESTIGATIONS - SURVEYS (Continued)

CWC. NO.	PROJECT & COUNTY	TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
4.	Hansen Dam Interim Study	700	180	250	250

Commission adopted a report dated March 6, 1981 recommending funding of a study to remove sediment and silt from Hansen Reservoir. The Corps will study water conservation, recreation, and vegetative management functions under the Los Angeles County Drainage Area (Item 5). The City of Los Angeles by Resolution No. 318 adopted January 8, 1981, supports the study. The California legislature has passed AJR 14 (Richard Katz) as Chapter 25, stats of 1981 supporting the study. Fish and wildlife impacts will need funding. Feasibility report scheduled for September 1984.

CWC. NO.	PROJECT & COUNTY	TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
5.	Los Angeles County Drainage Area Los Angeles	3,565	1,943	100	200

Commission supports funding adequate for fish and wildlife studies.

CWC. NO.	PROJECT & COUNTY	TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
6.	Morrison Creek Phase I Sacramento	3,000	(650)	(525)	Under Study
7.	N. California Streams Several	8,430	6,044	300	300

RECOMMENDATIONS
FEDERAL FLOOD CONTROL AND RECLAMATION PROGRAMS IN CALIFORNIA FOR FISCAL YEAR 1982-83
(In Thousands of Dollars)

CWC. NO.	PROJECT & COUNTY	TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
	GENERAL INVESTIGATIONS - SURVEYS (Continued)				
8.	Sacramento River and Tributaries, Bank Protection and Erosion Control Several	2,450	1,812	297	297

This investigation could serve as a vehicle to resolve some of the environmental issues surrounding bank protection work. The Commission supports adequate funding to ensure that the study is responsive to all issues including developing construction techniques and maintenance standards which will minimize adverse environmental impacts. The draft environmental assessment report did not adequately address bank protection measures other than rip-rap. Commission urges Corps to redirect its study.

11.	San Francisco Bay Baseline Investigation Several		0	0	Support

Corps of Engineers will meter flows and water quality in the Bay, as a modification of the program agreed to in the Corps and the California multi-agency letter of understanding dated May 30, 1980. Corps and State staffs have reached understanding on wording of resolution which, if approved by the Congress, would authorize the Corps to initiate studies in the Bay Delta area. The study is still needed. Commission will support funding when budgetary constraints are less severe.

RECOMMENDATIONS
FEDERAL FLOOD CONTROL AND RECLAMATION PROGRAMS IN CALIFORNIA FOR FISCAL YEAR 1982-83
(In Thousands of Dollars)

CWC. NO.	PROJECT & COUNTY	TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
	GENERAL INVESTIGATIONS - SURVEYS (Continued)				
12.	San Francisco Bay Shoreline Several	3,414	835	300	Under Study
13.	San Joaquin River Basin Several	7,500	4,196	994	Review
14.	San Leandro Bay Alameda	690	50	0	Review
14A.	San Luis Obispo County Streams	915	380	0	Review

Commission support conditioned on a State-Corps letter of understanding dated January 29, 1979 that initiation of Phase II Studies will not begin until after review of Phase I studies, including an appraisal evaluation of tidal flooding in the Suisun Marsh. Phase I Report will be completed in FY 82. After review of Phase I Report, Commission will reevaluate its position.

RECOMMENDATIONS
FEDERAL FLOOD CONTROL AND RECLAMATION PROGRAMS IN CALIFORNIA FOR FISCAL YEAR 1982-83
(In Thousands of Dollars)

CWC. NO.	PROJECT & COUNTY	TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
	GENERAL INVESTIGATIONS - SURVEYS (Continued)				
15.	Santa Ana River and Orange County Riverside, Orange, San Bernardino	8,170	6,022	655	655
	Commission supports funding adequate to accelerate the investigation and supports an allocation of $15 thousand for fish and wildlife studies at Lake Elsinore.				
16.	Santa Barbara County Streams, Santa Barbara	1,330	559	250	250
	Commission recommends an allocation of $5 thousand for fish and wildlife studies.				
17.	Walnut Creek Basin Contra Costa	674	574	0	0
	Possible flood protection facilities need to be better identified before additional funds are appropriated.				

Amounts in parentheses () are for pre-construction planning.

RECOMMENDATIONS
FEDERAL FLOOD CONTROL AND RECLAMATION PROGRAMS IN CALIFORNIA FOR FISCAL YEAR 1982-83
(In Thousands of Dollars)

CWC. NO.	PROJECT & COUNTY	TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
	GENERAL INVESTIGATIONS - Planning & Engineering (Continued)				
19.	Statewide Assessment of Flood Plain Managment in California		0	0	Support

The Commission supports the allocation of $200 thousand to California from the Corps nationwide Section 22 funds for this important study.

CWC. NO.	PROJECT & COUNTY	TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
	GENERAL INVESTIGATIONS - Planning & Engineering				
20.	Cache Creek Several	1,400	0	0	400

Advanced planning and design studies will be initiated. The Commission urges Corps to study sediment bank erosion problems in Capay Valley in Yolo County.

CWC. NO.	PROJECT & COUNTY	TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
21.	Sacramento Ship Channel Several	3,500	400	600	600

Based on the letter of agreement between State and the Corps dated 3 February, 1981, as described in "San Francisco Bay to Stockton Ship Channel" (Item 34), Commission supports the funding of detailed engineering studies for deepening the Sacramento deep water channel, and urges the Corps of Engineers to proceed expeditiously with the program to upgrade the capability of the Corps Bay-Delta Model to measure and record changes in salinity and other related matters.

RECOMMENDATIONS
FEDERAL FLOOD CONTROL AND RECLAMATION PROGRAMS IN CALIFORNIA FOR FISCAL YEAR 1982-83
(In Thousands of Dollars)

CWC. NO.	PROJECT & COUNTY	TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
	CONSTRUCTION GENERAL - Planning and Engineering (Continued)				
22.	Santa Ana River Main Stem Phase I Several	18,600	500	3,400	3,400

The Commission supports Alternative 6 the All River Plan subject to a detailed assessment by the Corps of all concerns relating to the Mentone Dam. A Memorandum of Understanding between the Corps and the California Department of Water Resources regarding the conduct of this detailed assessment has been executed.

CONSTRUCTION, GENERAL - Project Construction

23.	Corte Madera Creek Marin	10,200	7,000	0	0

Marin County Board of Supervisors has approved wording for a ballot measure for the June 1982 election. The measure, if approved would provide financing of local costs.

24.	Cottonwood Creek Shasta	458,000 (18,200)	(8,525)	(3,200)	(3,200)

Issues involving acquisition of lands for wildlife mitigation, access to private lands for purpose of fish and wildlife studies, and acquisition of lands needed for replenishment of fish spawning gravels need to be resolved. State is evaluating federal cost sharing proposal.

RECOMMENDATIONS
FEDERAL FLOOD CONTROL AND RECLAMATION PROGRAMS IN CALIFORNIA FOR FISCAL YEAR 1982-83
(In Thousands of Dollars)

CWC. NO.	PROJECT & COUNTY	TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
	CONSTRUCTION GENERAL - Project Construction (Continued)				
25.	Cucamonga Creek San Bernardino	113,000	93,366	11,500	11,500
	State supports appropriation of $5 thousand for post-project fish and wildlife evaluation studies.				
26.	Dry Creek (Warm Springs Lake) Sonoma	315,000	229,287	12,300	12,300
	Measures to offset adverse project effects on fish and wildlife should be resolved with the fish and wildlife agencies as soon as possible.				
27.	Goleta and Vincinty Santa Barbara	41,600 (2,650)	(1,020)	(0)	(0)
	Commission supports funding for post project evaluation of mitigation measures.				

RECOMMENDATIONS
FEDERAL FLOOD CONTROL AND RECLAMATION PROGRAMS IN CALIFORNIA FOR FISCAL YEAR 1982-83
(In Thousands of Dollars)

CWC. NO.	PROJECT & COUNTY	TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
	CONSTRUCTION GENERAL - Project Construction (Continued)				
28.	Merced County Streams Merced	103,000 (5,700)	(5,700)	(0)	1,000

Commission supports adequate funding recognizing Merced County is proceeding to provide the local financing required by the Corps of Engineers. Commission urges Congress to fund the project under present cost sharing laws. Commission urges Congress to determine changes that may be made in federal cost sharing policies in order that State and local agencies can identify their financial requirements.

State Reclamation Board support project with federal cost sharing concepts. Continued Commission support is contingent upon inclusion of a 2,800 acre wildlife easement area on lower reaches of Bear Creek.

CWC. NO.	PROJECT & COUNTY	TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
29.	New Melones Lake Calaveras & Tuolumne	380,000	324,189	5,500	5,500

The Commission reaffirms its position that the appropriations should be conditioned to provide that New Melones Reservoir shall be operated in accordance with the provisions of Decision 1422 of the State Water Resources Control Board. Commission support is contingent upon expeditious acquisition of riparian habitat and flood easements downstream of the dam, and resolution of downstream salmon problems related to release schedules, flow, and temperature.

Amounts in parentheses () are for pre-construction planning.

RECOMMENDATIONS
FEDERAL FLOOD CONTROL AND RECLAMATION PROGRAMS IN CALIFORNIA FOR FISCAL YEAR 1982-83
(In Thousands of Dollars)

CWC. NO.	PROJECT & COUNTY	TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
	CONSTRUCTION GENERAL - Project Construction (Continued)				
30.	Pajaro River; Uvas Carnadero Santa Clara	1,890 (450)	(260)	(90)	90
	Resources Agency 3/17/81 letter to Corps outlines State-federal mitigation program under which project can proceed.				
31.	Red Bank and Fancher Creeks Fresno	53,400 (4,300)	(0)	(410)	(410)
	Commission supports continued funding for Phase II studies.				
32.	Sacramento River and Major and Minor Tributaries Several	11,900	11,522	200	200

RECOMMENDATIONS
FEDERAL FLOOD CONTROL AND RECLAMATION PROGRAMS IN CALIFORNIA FOR FISCAL YEAR 1982-83
(In Thousands of Dollars)

CWC. NO.	PROJECT & COUNTY	TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
	CONSTRUCTION GENERAL - Project Construction (Continued)				
33.	Sacramento River Bank Protection Several	110,000	45,167	700	700

Resources Agency 2/27/80 letter to Corps outlines State-federal mitigation program under which project can proceed. Federal authorization of the mitigation program for Phase I of this project is necessary before the Sacramento River Bank Protection Project can continue beyond Unit #36. Commission anticipates authorizing language will be introduced and supports such authorization. When authorized the Commission will support a greater appropriation.

CWC. NO.	PROJECT & COUNTY	TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
33A.	Sacramento River, Chico Landing to Red Bluff	12,900	5,045	0	1,000

Landowners have agreed to provide without cost the necessary rights of way for bank protection sites. Commission support contingent upon meeting conditions outlined in Department of Fish and Game memo dated March 11, 1981.

RECOMMENDATIONS
FEDERAL FLOOD CONTROL AND RECLAMATION PROGRAMS IN CALIFORNIA FOR FISCAL YEAR 1982-83
(In Thousands of Dollars)

CWC. NO.	PROJECT & COUNTY	TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
CONSTRUCTION GENERAL - Project Construction (Continued)					
34.	San Francisco Bay to Stockton Ship Channel	173,000	10,809	4,000	4,000

The State and the Corps have approved a letter of agreement dated 3 February 1981, regarding the deepening of the Stockton and Sacramento Ship Channels. It provides that DWR will not object to the Corps completing construction work on the Stockton Ship Channel. If studies and tests to be conducted by the Corps determine that deepening the channels will cause a significant or measurable increase in salinity incursion, the Corps will conduct model tests of mitigation measures, including a sill in Carquinez Strait, and will recommend implementation of such measures and an allocation of the cost between the two channel projects.

The Corps should determine the Stockton Ship Channel deepening project's input on the dissolved oxygen problems in the San Joaquin River if any, and propose methods of mitigation in accordance with the 4/9/81 letter of agreement between the Corps and Department of Fish and Game.

CWC. NO.	PROJECT & COUNTY	TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
34A	San Jacinto River Levee and Bautistia Creek Channel	10,657	3,027	2,000	2,000
35.	San Luis Rey River San Diego	26,200 (2,400)	(1,664)	(200)	(736)

RECOMMENDATIONS
FEDERAL FLOOD CONTROL AND RECLAMATION PROGRAMS IN CALIFORNIA FOR FISCAL YEAR 1982-83
(In Thousands of Dollars)

CWC. NO.	PROJECT & COUNTY	TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
	CONSTRUCTION GENERAL - Project Construction (Continued)				
36.	Santa Paula Creek Ventura	38,200	4,591	0	0
	Sufficient funds available. Commission supports $25 thousand for fish and wildlife mitigation studies. Further recommendations will await State review of EIS.				
37.	Sweetwater River San Diego	20,200	1,414	0	0
	Commission will support project if agreement among Corps, U.S. Fish and Wildlife Service, California Department of Fish and Game, and California Department of Transportation is negotiated and Congress authorizes fish and wildlife measures referenced in said agreement.				
38.	Walnut Creek Contra Costa	78,600	36,226	6,300	6,300
	Commission support contingent upon adequate compensation for loss of 1,000 feet of natural vegetation in San Ramon By-pass and preservation of riparian habitat along Walnut Creek.				

RECOMMENDATIONS
FEDERAL FLOOD CONTROL AND RECLAMATION PROGRAMS IN CALIFORNIA FOR FISCAL YEAR 1982-83
(In Thousands of Dollars)

CWC. NO.	PROJECT & COUNTY	TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
	CONSTRUCTION GENERAL - Project Construction (Continued)				
39.	Wildcat and San Pablo Creeks Contra Costa	14,300	1,110	0	100

Contra Costa County is proceeding aggressively to create benefit assessment areas to finance local costs of a revised project.

Commission support contingent upon inclusion of fish and wildlife features contained in agreement between Contra Costa County and Department of Fish and Game.

CWC. NO.	PROJECT & COUNTY	TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
40.	Hansen Dam Rehabilitation Los Angeles	8,600	0	0	Support

Support early removed of silt. Feasibility report scheduled for September 1984. (See Item No. 4).

	Total Corps of Engineers			$ 54,341	$ 56,028

Amounts in parentheses () are for pre-construction planning.

RECOMMENDATIONS
FEDERAL FLOOD CONTROL AND RECLAMATION PROGRAMS IN CALIFORNIA FOR FISCAL YEAR 1982-83
(In Thousands of Dollars)

CWC. NO.	PROJECT & COUNTY	ESTMATED TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
	RECLAMATION PROGRAMS				
	SACRAMENTO RIVER DIVISION				
41.	Tehama-Colusa Canal Tehama, Glenn, Colusa Yolo	219,462	178,223	5,753	5,753
42.	Tehama-Colusa Canal Distribution System Glenn, Yolo	49,991	43,027	2,274	2,274
43.	Tehama-Colusa Fish Fac. Red Bluff Recreation Tehama	21,498	21,298	200	200
44.	Permanent Operating Facilities Tehama Glenn	7,017	4,823	1,710	1,710

RECOMMENDATIONS
FEDERAL FLOOD CONTROL AND RECLAMATION PROGRAMS IN CALIFORNIA FOR FISCAL YEAR 1982-83
(In Thousands of Dollars)

CWC. NO.	PROJECT & COUNTY	ESTMATED TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
45.	Corning Canal Relift Pumps, Safety Fencing and Automation of Tehama Colusa Canal Tehama (Comments for Items No. 41-45)	3,947	1,784	1,919	1,919

Commission supports $50 thousand for fish and wildlife studies to improve screens at the Red Bluff diversion dam, and to study overall problems encountered by salmon at the diversion. Adequate funds should be expended in F.Y. 83 to provide fencing and other measures along the canal to protect wildlife and to construct a fish screen on the Corning Canal. (See also Item No. 79). Commission commends USBR"s intensified efforts to resolve fish and wildlife problems associated with the Red Bluff Diversion Dam, Tehama-Colusa Canal and Corning Canal.

AUBURN-FOLSOM SOUTH UNIT

46.	Auburn Dam and Reservoir Several	1,452,155	209,269	1,597	1,597

The Commission supports economic, environmental and fish and wildlife studies recommended by former Secretary of the Interior.

The Commission opposes appropriations for construction of Auburn Dam until the following have been completed:

1. Congress has reauthorized Auburn Dam.

RECOMMENDATIONS
FEDERAL FLOOD CONTROL AND RECLAMATION PROGRAMS IN CALIFORNIA FOR FISCAL YEAR 1982-83
(In Thousands of Dollars)

2. A memorandum of understanding or water service contracts for 75% of the water yield have been executed;

3. The Bureau of Reclamation agrees to comply with provisions of Decision 1400 of the California State Water Resources Control Board;

4. The State has approved the design of the dam finally selected.

The State Water Resources Control Board, Department of Water Resources and Bureau of Reclamation have executed an agreement dated July 16, 1979 providing for coordination of Water Rights, environmental impact statement review and federal project authorization.

CWC. NO.	PROJECT & COUNTY	ESTMATED TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
47.	Foresthill Divide (Sugar Pine Dam) Placer	60,926	57,620	3,306	3,306
48.	Folsom South Canal Several	301,284	39,693	0	Review

Same conditions for Item 46.

RECOMMENDATIONS
FEDERAL FLOOD CONTROL AND RECLAMATION PROGRAMS IN CALIFORNIA FOR FISCAL YEAR 1982-83
(In Thousands of Dollars)

CWC. NO.	PROJECT & COUNTY	ESTMATED TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
	SAN LUIS UNIT				
49.	San Luis Canal-Flood Protective Work and subsidence correction Several	48,963	34,742	5,000	5,000
50.	Other San Luis Facilities (O'Neill P.P. and San Luis Canal Turnouts) Several	27,581	24,941	525	525
51.	Relift Pumping Plants and Turnouts-Westlands WD Merced, Fresno, Kings	76,000	40,337	50	500
52.	San Luis Drain Several	529,935	45,779	1,000	0
53.	Westlands WD Distribution System Several	235,000	159,007	50	0

RECOMMENDATIONS
FEDERAL FLOOD CONTROL AND RECLAMATION PROGRAMS IN CALIFORNIA FOR FISCAL YEAR 1982-83
(In Thousands of Dollars)

CWC. NO.	PROJECT & COUNTY	ESTMATED TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
54.	Westlands WD Drainage Collector System Drain Several	89,000	18,926	0	0

The Commission supports expenditure of the balance of the funding ($1,000 for Item 52 and $50 for Item 53) authorized and appropriated by P.L. 95-46, but reaffirms in general it's opposition to new budget authority for Items Numbers) 52, 53, and 54 until the Bureau of Reclamation agrees that the federal Central Valley Project and the State Water Project will be operated to meet the identical water quality standards in the Delta as incorporated in the Bureau's and State's water rights.

MISCELLANEOUS PROJECT FACILITIES

CWC. NO.	PROJECT & COUNTY	ESTMATED TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
55.	Delta-Mendota Canal Raise Lining and Rehabilitation Merced	76,399	69,830	2,861	2,861
56.	Friant-Kern Canal Rehabilitation and Betterment Work Several	96,806	96,172	634	634
57.	Trinity River	8,265	7,990	275	275

RECOMMENDATIONS
FEDERAL FLOOD CONTROL AND RECLAMATION PROGRAMS IN CALIFORNIA FOR FISCAL YEAR 1982-83
(In Thousands of Dollars)

CWC. NO.	PROJECT & COUNTY	ESTMATED TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
58.	Trinity River Buckhorn Mountain Project Trinity, Humboldt	6,000		0	650
	Support $450 thousand for Buckhorn Mountain Reservoir and $200 thousand for sand dredging. Those measures will partially mitigate fishery impacts caused by construction of Trinity and Lewiston Dams. These measures are not new construction starts. California has already budgeted more than $200,000 to cover its share of the sand dredging.				
58A.	Trinity River Management Plan			0	1,300
	SAN FELIPE DIVISION				
59.	Pacheco Tunnel Continue Construction Merced, Santa Clara	84,246	81,930	2,316	2,316
60.	Pacheco Pumping Plant and Switchyard	43,026	4,250	7,067	7,067
61.	Pacheco Conduit	46,690	2,131	3,559	3,559

RECOMMENDATIONS
FEDERAL FLOOD CONTROL AND RECLAMATION PROGRAMS IN CALIFORNIA FOR FISCAL YEAR 1982-83
(In Thousands of Dollars)

CWC. NO.	PROJECT & COUNTY	ESTMATED TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
62.	Santa Clara Facilities Santa Clara	113,060	17,790	22,911	22,911
63.	Hollister Conduit	22,511	4,991	1,000	1,000
64.	Other features Pre-construction Several	37,734	2,880	1,325	1,325

Commission strongly urges Congress not to underfund or lower the budget level. More cuts will seriously disrupt the plans to meet the needs of Santa Clara and San Benito Counties.

The Commission urges the Congress to provide that diversions of water from the Delta by the Bureau of Reclamation be subject to federally approved Delta water quality standards.

OTHER PROJECTS

CWC. NO.	PROJECT & COUNTY	ESTMATED TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
65.	San Benito County Water Conservation and Flood Control District San Benito	19,717	2,704	7,253	7,253
66.	Stampede Powerplant Nevada	6,500	1,654	3,117	3,117

RECOMMENDATIONS
FEDERAL FLOOD CONTROL AND RECLAMATION PROGRAMS IN CALIFORNIA FOR FISCAL YEAR 1982-83
(In Thousands of Dollars)

CWC. NO.	PROJECT & COUNTY	ESTMATED TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
67.	White Lake Division Siskiyou	1,300	28	27	Review
68.	Orland Project Safety of Dams-East Park Dam and Stony Gorge Dam - Glenn	11,750	952	720	720
69.	Coachella Canal Replacement (Lower Colorado Region) Imperial	47,037	48,529	1,400	1,400
	Commission supports funding adequate for land acquisition, operation and maintenance and resolution of other wildlife problems. Includes Title I fish and wildlife mitigation measures as well as continuing canal construction.				
70.	Santa Margarita (Lower Colorado Region) San Diego		0	122	250
	Commission supports funding to update feasibility, sand recruitment, and fish and wildlife studies. Fish and wildlife studies will require $45 thousand in FY 83 and $60 thousand in FY 84.				

RECOMMENDATIONS
FEDERAL FLOOD CONTROL AND RECLAMATION PROGRAMS IN CALIFORNIA FOR FISCAL YEAR 1982-83
(In Thousands of Dollars)

CWC. NO.	PROJECT & COUNTY	ESTMATED TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
	LOAN PROGRAM				
71.	Glenn-Colusa Irrigation District Glenn, Colusa	16,968	7,067	9,901	9,901
72.	Yolo-Zamora Water District Yolo		0	0	200
	Fish and wildlife mitigation measures for the Tehama-Colusa and Corning Canals need to be constructed.				
73.	Colusa County Water Dist. Colusa	12,316	0	0	900
74.	Glide Water District Glenn	5,870	0	0	2,975

Amounts in parentheses () are for pre-construction planning.

RECOMMENDATIONS
FEDERAL FLOOD CONTROL AND RECLAMATION PROGRAMS IN CALIFORNIA FOR FISCAL YEAR 1982-83
(In Thousands of Dollars)

CWC. NO.	PROJECT & COUNTY	ESTMATED TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
75.	Oakdale Irr. Dist Stanislaus, San Joaquin	11,085	0	0	3,344
	Commission support contingent upon execution of memorandum of understanding with Department of Fish and Game identifying fish and wildlife mitigation measures.				
76.	Yuba County Water Agency Yuba	21,482	0	0	2,600
77.	Ramona Municipal Water District San Diego	19,224	0	0	2,490
	Commission support contingent upon execution of memorandum of understanding with Department of Fish and Game identifying fish and wildlife mitigation measures.				
78.	Fallbrook Public Utility District San Diego	13,014	0	0	3,000

The Secretary of the Interior is holding up submittal of loan applications to the Congress even though local agencies have met all requirements. The Commission urges the Congress to require the Secretary to forward these reports.

RECOMMENDATIONS
FEDERAL FLOOD CONTROL AND RECLAMATION PROGRAMS IN CALIFORNIA FOR FISCAL YEAR 1982-83

(In Thousands of Dollars)

CWC. NO.	PROJECT & COUNTY	ESTMATED TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
	APPRAISAL INVESTIGATIONS				
79.	Red Bluff Diversion Dam Powerplant Tehama County	153	126	0	0

Feasibility report being written. Commission supports early construction. Commission supports $50 for fish and wildlife studies identified under Items 41-45, Tehama Colusa Canal. Commission urges that language be included in S 306 which will authorize fish and wildlife mitigation and enhancement as project purposes.

CWC. NO.	PROJECT & COUNTY	ESTMATED TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
	FEASIBILITY INVESTIGATIONS				
80.	Kellogg Unit Reformation Delta Division Contra Costa	500	150	175	175

Commission supports funding of feasibility investigation of Los Vaqueros Reservoir and relocation of Contra Costa Canal intake.

State and USBR have executed a memorandum of understanding dated December 12, 1980 regarding a joint investigation of the Los Vaqueros-Kellogg project including relocation of Contra Costa canal intake. Commission supports $10 thousand for fish and wildlife studies.

RECOMMENDATIONS
FEDERAL FLOOD CONTROL AND RECLAMATION PROGRAMS IN CALIFORNIA FOR FISCAL YEAR 1982-83
(In Thousands of Dollars)

CWC. NO.	PROJECT & COUNTY	ESTMATED TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
81.	Shasta Dam Enlargement Shasta	6,215	690	1,070	1,070

State and USBR jointly undertaking investigation in accordance with 12/16/79 letter of intent. The State Water Resources Control Board, Department of Water Resources and the Bureau of Reclamation have executed an agreement dated July 16, 1979 providing for coordination of Water Rights environmental impact statement and federal project authorization.

SPECIAL INVESTIGATIONS

82.	Minor work in connection with completed projects Several	985	100	75	75
83.	New Melones Studies	600		0	400
84.	Delta Support Studies including Suisun Marsh Several	7,714	7,364	350	1,352

Bureau of Reclamation and Department of Water Resources agree operation of Central Valley and State Water Projects have adverse effects on fish and wildlife in the Sacramento-San Joaquin Delta and the San Francisco Bay Estuary. State Water Resources Control Board's Decision 1485 requires environmental studies be continued for use in future State water rights hearings. Commission urges full fundings for these studies including efforts in the Suisun Marsh.

RECOMMENDATIONS
FEDERAL FLOOD CONTROL AND RECLAMATION PROGRAMS IN CALIFORNIA FOR FISCAL YEAR 1982-83
(In Thousands of Dollars)

CWC. NO.	PROJECT & COUNTY	ESTMATED TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
88.	Environmental and Interagency Coordination Activities, Mid-Pacific Region Several	11,742	7,922	697	697
89.	Fish and Wildlife Management Study	2,652	1,117	400	400
	Includes study of fish screen at Corning Canal Intake. (See Item No. 45)				
90.	Wind Energy Study Central California-Nevada	688	538	150	150
	Commission supports funding adequate to accelerate the investigations.				
91.	Technical Assistance to States	584	154	30	30

Amounts in parentheses () are for pre-construction planning.

RECOMMENDATIONS
FEDERAL FLOOD CONTROL AND RECLAMATION PROGRAMS IN CALIFORNIA FOR FISCAL YEAR 1982-83
(In Thousands of Dollars)

CWC. NO.	PROJECT & COUNTY	ESTMATED TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
92.	Central Valley Conservation Study			0	100

Commission supports preparation of a water conservation plan by the Bureau of Reclamation as requested by Governor Brown in his July 18, 1980, letter to former Secretary of the Interior. State Water Resources Control Board supports the study. In response to a Governor's Executive Order, California is spending about $950,000 on water conservation in service areas of the State Water Project.

CWC. NO.	PROJECT & COUNTY	ESTMATED TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
93.	Water Management Study (San Felipe Service Area) Santa Clara, San Benito			0	50
94.	San Francisco Bay Area Regional Water Reuse Study Several	2,600		0	50
	COLORADO RIVER SALINITY CONTROL PROJECT				
95.	Paradox Valley Unit	51,001	13,279	6,401	6,401
96.	Grand Valley Unit	146,025	28,749	8,902	8,902

RECOMMENDATIONS
FEDERAL FLOOD CONTROL AND RECLAMATION PROGRAMS IN CALIFORNIA FOR FISCAL YEAR 1982-83
(In Thousands of Dollars)

CWC. NO.	PROJECT & COUNTY	ESTMATED TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
97.	Las Vegas Wash Unit Nevada	61,847	18,487	973	973
98.	Colorado River Water Quality Improvement Feasibility Investigations Multi-State	29,780	17,660	5,778	5,778
	Commission supports entire Colorado River Basin program including adequate funding ($38 thousand) for fish and wildlife studies.				
	OTHER PROGRAMS - LOWER COLORADO REGION				
99.	Lower Colorado River Water Conservation and Efficient Use program Several	2,700	1,045	740	740
	Commission supports adequate funding for fish and wildlife studies.				

Amounts in parentheses () are for pre-construction planning.

RECOMMENDATIONS
FEDERAL FLOOD CONTROL AND RECLAMATION PROGRAMS IN CALIFORNIA FOR FISCAL YEAR 1982-83
(In Thousands of Dollars)

CWC. NO.	PROJECT & COUNTY	ESTMATED TOTAL FEDERAL COST	ESTIMATED COSTS THRU 9/30/82	PRESIDENT'S BUDGET	COMMISSION'S FINAL RECOMMENDATIONS
101.	Water Conservation Opportunities Imperial Irrigation Dist. Imperial	840	770	85	85
	Commission supports an allocation of funds sufficient to study the fish and wildlife impacts.				
	NEW PROGRAMS - LOWER COLORADO RIVER REGION				
103.	Colorado River Water Supply Study	275		100	100
104.	All American Canal Replacement	460		0	0
	Not scheduled until FY 84. Feasibility study needs authorization.				
	Total Bureau of Reclamation			$113,798	$132,360
	Total C of E and USBR			$168,139	$188,388

STATEMENT OF DAVID KATZ, PRESIDENT, CALIFORNIA RECLAMATION BOARD

Mr. FRANKLIN. First of all is Mr. David Katz, president of the State reclamation board.

Mr. KATZ. I am David Katz, President of the California Reclamation Board, a California State agency with responsibility for furnishing the required Federal assurances for channel and levee projects in the Central Valley of California. We have a direct and continuing interest in providing an integrated and complete system of flood protection. I have submitted a written statement for the record and due to the limited time available, I will touch only on the highlights in my oral testimony now.

SACRAMENTO RIVER BANK PROTECTION, CALIFORNIA

In the Sacramento Valley, the Sacramento River bank protection project is vital to the preservation of the great Sacramento River system. We are sharing the costs on a one-third State/two-thirds Federal ratio and strongly urge the approval of $1 million for continuing this project in fiscal year 1983.

COTTONWOOD CREEK, CALIF.

Construction of the Cottonwood Creek project, which is on the largest uncontrolled tributary of the Sacramento River, would provide badly needed flood control benefits to the Sacramento Valley. We recommend an appropriation of $3.2 million to continue preconstruction planning for this project.

MERCED COUNTY STREAMS STUDY

We would also like to express our continued support for the Merced County streams project. This project was authorized in 1970 and funds are needed in fiscal year 1983 to start construction. As you know, there are discussions underway with the Corps of Engineers on a new cost-sharing formula. Regardless of the outcome, we believe this project is one of the better projects and is badly needed. The board strongly supports an appropriation of $5 million for this project.

SACRAMENTO RIVER AND TRIBUTARIES BANK PROTECTION AND EROSION CONTROL STUDY

Several of the proposed surveys and new starts are also vital to California. One of the most important to our area of interest is the Sacramento River and tributaries bank protection and erosion control study. Results of this study will provide necessary information for a comprehensive treatment of 312 miles of the Sacramento River from Collinsville to Shasta Dam. Funding in the amount of $297,000 is strongly recommended to permit completion of this study.

CHICO LANDING TO RED BLUFF, CALIF.

The Chico Landing to Red Bluff bank protection project is an extension and modification of the existing Sacramento River flood control project. The board recommends funding for this project in the amount of $1 million to protect critical bank erosion sites and sites which threaten the integrity of the downstream Sacramento River flood control project.

As I have indicated, there are a number of other projects we are in support of not discussed now, but I have included them in my written presentation I am submitting to the committee.

Thank you for the opportunity to appear before you today.

[The statement follows:]

Statement of David Katz, President, California Reclamation Board

Mr. Chairman, Members of the Committee, I am David Katz, President of The Reclamation Board, a California State agency with responsibility for furnishing the required federal assurances for channel and levee projects in the Central Valley of California. We have a direct and continuing interest in providing an integrated and complete system of flood protection. I have submitted a written report for the record and due to the limited time available, I will touch only on the highlights of that report in my oral testimony.

In the Sacramento Valley, the Sacramento River Bank Protection Project is vital to the preservation of the great Sacramento River system. We are sharing the costs on a 1/3 State - 2/3 Federal ratio and strongly urge the approval of $1,000,000 for continuing this project in fiscal year 1982-83.

Construction of the Cottonwood Creek Project, which is on the largest uncontrolled tributary of the Sacramento River, would provide badly needed flood control benefits to the Sacramento Valley. We recommend an appropriation of $3,200,000 to continue pre-construction planning for this project.

We would also like to express our continued support for the Merced County Streams Project. This project was authorized in 1970 and funds are needed in fiscal year 1982-83 to start construction. As you know, there are discussions under way with the Corps of Engineers on a new cost-sharing formula. Regardless of the outcome, we believe this project is one of the better projects and is badly needed. The Board strongly supports an appropriation of $5,000,000 for this project.

Several of the proposed Surveys and New Starts are also vital to California. One of the most important to our area of interest is the Sacramento River and Tributaries Bank Protection and Erosion Control Study. Results of this study will provide necessary information for a comprehensive treatment of 312 miles of the Sacramento River from Collinsville to Shasta Dam. Funding in the amount of $297,000 is strongly recommended to permit completion of this study.

The Chico Landing to Red Bluff Bank Protection Project is an extension and modification of the existing Sacramento River Flood Control Project. The Board recommends funding for this project in the amount of $1,000,000 to protect critical bank erosion sites and sites which threaten the integrity of the downstream Sacramento River Flood Control Project.

As indicated in our statement which was submitted for the record, we are in support of a number of projects not discussed in this brief oral presentation due to time limitations.

We would urge, however, that full consideration be given to all recommendations contained in the written statement.

I wish to thank the Committee for providing me this opportunity to express the views of my Board and would ask that this statement as well as the written report previously referred to be made an official part of the hearing record.

Summary of Recommendations
(in thousands of dollars)

Corps of Engineers Projects		Recommendations 1982-83
I. Surveys		
Northern California Streams		$ 300
Sacramento River and Tributaries Bank Protection and Erosion Control		297
San Joaquin River Basin		0
	TOTAL	$ 597
II. Pre-Construction Planning		
Cottonwood Creek		$3,200
Morrison Creek, Phase I, G.D.M.		0
Cache Creek Basin Investigation		400
Red Bank and Fancher Creeks		410
	TOTAL	$4,010
III. Construction		
New Melones Lake		$5,500
Merced County Streams		5,000
Sacramento River Major and Minor		200
Sacramento River Bank Protection		1,000
Sacramento River, Chico Landing to Red Bluff		1,000
	TOTAL	$12,700

U. S. Bureau of Reclamation Projects	Recommendation 1982-83
Auburn Dam	$1,597
Shasta Dam Enlargement Study	1,070

The Reclamation Board, as the State agency which furnishes required local assurances for Federal levee and channel projects in California's Central Valley, respectfully submits this statement in support of appropriations of Federal funds for accomplishment of flood control works.

The Reclamation Board recommends and strongly urges appropriation of funds in the amounts listed in the summary. While all projects are important to the health, safety, and well-being of Central Valley residents, the surveys and projects described as follows are particularly critical:

I. Surveys

A. Northern California Streams:

This survey, authorized in 1958 and 1962, is a study of all the streams in Northern California that flow into the Pacific Ocean, including the Sacramento River and its tributaries, in regard to flood control measures. Throughout the years, there have been many widespread and destructive floods. When flooding occurs, heavy damages are inflicted on homes, agricultural lands, and public utilities. The cost of flood fighting, cleanup and repair, and restoration is usually several million dollars each time a flood occurs.

The flood events of the past demonstrate the continuing need for flood management measures in the basin and growing water requirements show the need for water conservation measures.

The Reclamation Board recommends inclusion of $300,000 for fiscal year 1982-83 for Northern California Streams.

B. Sacramento River and Tributaries - Bank Protection and Erosion Control:

This study, authorized in 1970, is an investigation of erosion problems along some 312 miles of the Sacramento River from Collinsville to Shasta Dam and along the lower reaches of the principal tributary streams.

The local interests believe that various factors, including reservoir control, have worsened erosion problems along the banks of the streams in the area. Assistance has been requested in providing needed bank protection. Also, due to the greatly increased use of the Sacramento River by recreational boats, erosion by wavewash has become a significant problem.

This study will consider protective measures to stabilize stream channels, reduce bank erosion, and preserve riparian vegetation. This investigation could serve as a vehicle to resolve some of the environmental issues surrounding bank protection work.

The Reclamation Board strongly recommends an appropriation of $297,000 for the Sacramento River and Tributaries Bank Protection and Erosion Control Study in fiscal year 1982-83.

C. San Joaquin River Basin:

This survey, authorized in 1964, and initiated in 1968, encompasses the southern portion of the Central Valley, including part of the Delta-Central Sierra Area and all of the San Joaquin and Tulare Lake Basins. The study will investigate the problems of flood control, irrigation, municipal water supply, power, recreation, fish and wildlife, and water quality. The study area is the site of many complex water supply and water transportation problems. Flooding is a major problem in the study area. During the severe floods of 1969, the area experienced approximately $100 million in damages. Projects to be considered include: dams and reservoirs, stream diversion, bank protection, and levee and channel improvement.

Due to budgetary constraints and other higher priority studies, The Reclamation Board recommends no appropriation for this study in fiscal year 1982-83.

II. Pre-Construction Planning

A. Cottonwood Creek:

The project works, authorized in 1970, consist of two dams, with 2,000,000 acre-feet of multi-purpose storage. The 1979-80 flood season again indicated the need for control on Cottonwood Creek, the largest uncontrolled tributary of the Sacramento River below Shasta Dam.

The State will contract with the Corps of Engineers to purchase water from the project. Issues involving acquisition of lands for wildlife mitigation, access to private lands for purpose of fish and wildlife studies, and acquisition of lands needed for replacement of fish spawning gravels need to be resolved.

The Reclamation Board recommends appropriation of $3,200,000 in fiscal year 1982-83 for the Cottonwood Creek Project.

B. Morrison Creek - Phase I:

A study of Morrison Creek and its tributaries was authorized in 1963. The study area includes Morrison Creek, its principal tributaries which are Elder and Laguna Creeks and various smaller streams. Runoff from the stream group area drains into the Sacramento-San Joaquin Delta. The drainage area includes portions of Sacramento and adjoining suburbs, the communities of Elk Grove and Florin, and important military establishments.

State authorization requires assurances from the County of Sacramento, which have not been received. The County of Sacramento is in the process of establishing flood plain management along portions of the Morrison Creek Stream Group. In addition, the County has purchased some property within the project area for park purposes. These two actions have caused substantial changes in the original authorized plan. The Reclamation Board agrees with the California Water Commission that work on this project should be deferred.

C. Cache Creek Basin:

The Corps of Engineers has completed its Feasibility Report regarding water resources development in the Cache Creek Basin. The report recommends enlarging the outlet channel of Clear Lake and constructing a bypass channel to reduce flooding of development around the lake, enlarging and raising of levees around the existing settling basin near the mouth of Cache Creek to increase the basin's sediment storage capacity, and establishing a National Wildlife Refuge in the existing Cache Creek Settling Basin at a total cost of $17,960,000.

This report states that a major flood problem exists along the rim of Clear Lake. Historical inflows to the lake temporarily raise the lake level causing significant damage to lakefront development. Serious flood damages occurred in 1958 and 1970 causing estimated damages of $900,000 and $500,000, respectively. This problem can be economically solved by increasing the discharge capability of the lake's outlet channel.

Also, the storage capacity of the Cache Creek Settling Basin, which was constructed in 1937 to control sediment inflow to the Yolo Bypass of the Sacramento River Flood Control Project, is now nearly exhausted and sediment deposition from Cache Creek is again affecting the flood-carrying capacity of the bypass and the maintenance of downstream navigation and flood control works. The settling basin's storage capacity would be increased and a 3,600-acre National Wildlife Refuge would be established in the basin as a part of the National Migratory Bird Management Program.

Congress has not yet authorized this project; however, the Board recommends an appropriation of $400,000 in fiscal year 1982-83 to enable the Corps of Engineers to proceed with design studies. This would accelerate the pre-construction planning stage when Congress authorizes the project.

D. Red Bank and Fancher Creeks:

The Corps of Engineers has completed its Feasibility Report regarding water resources development on Red Bank and Fancher Creeks, Fresno County. The report recommends single-purpose flood control improvements on Red Bank, Fancher, and Pup Creeks and Alluvial Drain; and dual-purpose flood control and recreation facilities on Big Dry Creek. The plan provides for enlargement of the existing Big Dry Creek Dam and Reservoir, a new dam on Fancher Creek, and detention basins on Red Bank and Pup Creeks and Alluvial Drain.

The report states that significant flood problems exist in the expanding Fresno-Clovis metropolitan area. Flooding occurs throughout the entire study area when channel capacities are exceeded. The most recent serious flooding in January and February 1969 caused an estimated $4.7 million in damages to agricultural lands, residences, and commercial and industrial properties.

The flood problem can be economically dealt with by construction of the proposed flood control features. Also, recreational features could be incorporated in the plan for enlarging Big Dry Creek Dam and Reservoir.

Congress has not yet authorized this project; however, the Board recommends an appropriation of $410,000 in fiscal year 1982-83 to enable the Corps of Engineers to proceed with design studies. This would accelerate the pre-construction planning stage when Congress authorizes the project.

III. Construction

A. New Melones Lake:

New Melones Dam was authorized in the 1944 and 1962 Flood Control Acts. Initial construction was started in 1966, with work beginning on the main dam and appurtenances in 1974.

The New Melones Lake Project is located on the Stanislaus River about 45 miles east of Stockton. The project, when completed, will provide flood control, irrigation, power, general recreation, enhancement of fish and wildlife, and other benefits. The project consists of a dam, lake, and powerplant.

The project will provide flood protection to 35,000 acres of highly developed agricultural land along the Stanislaus River. In conjunction with other projects on the Lower San Joaquin and Tuolumne Rivers, it will materially aid in reducing flood stages along the Lower San Joaquin River and in the San Joaquin Delta.

The Reclamation Board recommends appropriation of $5,500,000 in fiscal year 1982-83 to continue the acquisition of riparian habitat and flood easements downstream from the dam. This appropriation should be conditioned upon the provisions of Decision 1422 of the State Water Resources Control Board.

B. Merced County Streams:

This project, authorized in 1970, will provide flood protection for Castle Air Force Base, the City of Merced, and adjacent suburban and agricultural lands at an estimated Federal cost of $73,400,000. Funds are required in 1982-83 to start construction. The project is contingent upon inclusion of a 2,800-acre wildlife easement area on the lower reaches of Bear Creek.

The Reclamation Board strongly recommends an appropriation of $5,000,000 in fiscal year 1982-83 for the Merced County Streams Project.

C. Sacramento River and Major and Minor Tributaries:

Improvement of Sacramento River Major and Minor Tributaries was authorized in 1944 and further amended in 1950. This project provides for revetment for protection of bypass levee slopes against erosion. The bypass levee revetment features of the project will provide protection to flood plains adjacent to the bypasses and will decrease requirements for levee repairs under emergency conditions.

The Reclamation Board recommends appropriation of $200,000 in fiscal year 1982-83 for this project.

D. Sacramento River Bank Protection:

The project, authorized in 1960, is a long-range Federal-State effort, aimed at preserving the existing project levee system of the Sacramento River. These existing levees, which offer flood protection to the Central Valley over a reach of 135 miles, are very old and subject to constant erosion. The Sacramento River Bank Protection Project work consists of sloping and placing stone protection at those points which are identified each year as the most critical. Since 1963, some 612,000 lineal feet have been strengthened in this fashion. On this project, all costs are shared with the Federal Government paying two-thirds and the State one-third.

The Reclamation Board recommends approval of an appropriation of $1,000,000 in fiscal year 1982-83 for the Sacramento River Bank Protection Project. This appropriation will be sufficient to complete two construction contracts during fiscal year 1982-83 and will allow approximately $300,000 for preliminary engineering on future critical sites.

E. Sacramento River - Chico Landing to Red Bluff Project:

This project, authorized in 1958, comprises extension and modification of the existing Sacramento

River Flood Control Project by the construction of bank protection and minor channel improvements along the Sacramento River between Chico Landing and Red Bluff.

The Board recommends funding for the Chico Landing to Red Bluff Project in the amount of $1,000,000 to protect critical sites or sites which can be demonstrated as having a detrimental effect on the Sacramento River Flood Control Project.

U. S. Bureau of Reclamation Projects

Auburn Dam:

Auburn Dam, part of the Central Valley Project, was authorized in 1965. Auburn Dam and Reservoir is located on the North Fork of the American River adjacent to the City of Auburn. The dam height when constructed will be 700 feet. Auburn Reservoir will have a capacity of 2,300,000 acre-feet. The reservoir will add 250,000 acre-feet of flood control space to the American River system.

The population centers of Sacramento, North Sacramento, Arden, Brighton, Carmichael, Fair Oaks, Folsom, and Rancho Cordova lie partially within the natural American River flood plain. The present Folsom Dam and levee system do not provide adequate flood protection against a Standard Project Flood. The part of the metropolitan Sacramento area that would be flooded by the Standard Project flood is estimated to have a population of about 130,000 people, according to the 1970 census. Auburn Dam and Reservoir will provide additional flood protection to the population centers of of the metropolitan Sacramento area.

The Reclamation Board urges adequate funding for planning activities, including studies to define appropriate fish and wildlife mitigation measures. The mitigation measures should be identified prior to initiation of final design. The level of funding was not determined.

The Reclamation Board opposes appropriations for construction of Auburn Dam until the following have been completed:

1. Congress has reauthorized Auburn Dam;
2. A memorandum of understanding or water service contracts for 75% of the water yield have been executed;
3. U. S. Bureau of Reclamation agrees to comply with provisions of Decision 1400 of the California State Water Resources Control Board;
4. The State has approved the design of the dam finally selected.

The Reclamation Board recommends appropriation of $1,597,000 in fiscal year 1982-83 for planning activities, which include studies to define appropriate fish and wildlife mitigation measures.

Shasta Dam Enlargement Study:

On December 16, 1979, the State of California and the U. S. Bureau of Reclamation signed a letter of intent to jointly study the enlargement of Shasta Dam.

The Reclamation Board recommends appropriation of $1,070,000 in fiscal year 1982-83 for work on this study.

SAN FELIPE DIVISION, CENTRAL VALLEY PROJECT, CALIFORNIA

STATEMENT OF ALBERT HENLEY, REPRESENTING THE SAN FELIPE COMMITTEE

Mr. FRANKLIN. Next is Albert Henley.

Mr. HENLEY. Good afternoon. I expect it would be unwise to prune the opportunity of introducing the chairman, Mr. Arthur Pfeiffer.

The single point I would like to leave with the committee, which was made before, is that the only enemy of this project is time. It has been approved and we have been proposing it to the administration for 15 years. We are reluctantly approving or supporting the President's rather disappointing budget figure and asking only with all the urgency we can give it that this committee and the Congress not permit that figure to be reduced. At least give us that. Thank you.

Senator JOHNSTON. Thank you, Mr. Henley.

[The statement follows:]

STATEMENT OF ALBERT HENLEY, SAN FELIPE COMMITTEE

Mr. Chairman, my name is Albert Henley. I represent an aggregation of water agencies in California which comprise the service area of the San Felipe division, Central Valley project.

We note that the President's budget for fiscal year 1983 proposes an expenditure of $38,177,000 for continued construction of the division. We recognize the fiscal constraints under which the Congress is operating and, with reluctance, we do not seek an augmentation of that figure. It is, nevertheless, clearly inadequate to the construction pace we have anticipated and need. It also represents a substantial slowdown in the construction schedule and capability the Bureau had announced and could otherwise meet. We, therefore, urge that no further reduction of this appropriation be considered acceptable to this committee.

The committee will recognize from the presentations we have been making since 1967—when San Felipe was authorized—that underfunding has the result each time of pushing into the future a delivery date. I need not point out that with deliveries begin repayment to the Treasury. We need the water; we are spending over $140 million locally in preparing to distribute it and we are ready and more than willing to start making those repayments. Continued delay will add intolerably to our local problems.

We thank the committee for receiving this brief statement and for many past courtesies.

SAN FRANCISCO BAY SHORELINE STUDY

STATEMENT OF RON ESAU, ASSISTANT GENERAL MANAGER, SANTA CLARA VALLEY WATER DISTRICT

Mr. FRANKLIN. Senator, our next speaker is Ron Esau, assistant general manager of the Santa Clara Valley Water District.

Mr. ESAU. Mr. Chairman, it is a pleasure to be here. As Mr. Henley indicated, our district is a countywide agency involved in both water supply and flood control. I am here to speak on several of our flood control interests with the Corps of Engineers.

I request that you accept for the record three written statements that we have submitted. First, a statement supporting the President's budget for the Corps' survey of the San Francisco Bay shoreline.

The second statement supporting the President's budget for the Pajaro River study, also of the Corps of Engineers.

GUADALUPE RIVER AND ADJACENT STREAMS STUDY

And third, we are submitting a statement urging augmentation of the President's budget for the Corps' survey of the Guadalupe River and adjacent streams. This funding is urgently needed to complete after 9 long years of efforts of the State's feasibility study.

Nearly $2 million has been expended to date on this study. Our district itself has input some $430,000 of funding and we need this final increment of funding that was not included in the President's budget for several technical reasons that I will not go into at this time.

But this river has a potential of damaging our city of San Jose, which is the largest city in the Santa Clara Valley. It is estimated that a 100-year flood could cause some $61 million of damage from a single flood event. And so we would urgently request, Mr. Chairman, that you give your consideration to this augmentation. We know it is a difficult year, but this is the final sum needed to complete this study, and we would urgently request you consider it.

Thank you.

[The statement follows:]

Statement of Ronald R. Esau, Assistant General Manager, Santa Clara Valley (Calif.) Water District

SUMMARY

The Statement supports the President's 1982-83 Budget in the amount of $300,000 for the Corps of Engineers' authorized Survey of San Francisco Bay Shoreline of Santa Clara, San Mateo, Napa, Sonoma, and Solano Counties, California.

BACKGROUND

The Bayfront areas of many of the San Francisco Bay counties have been adversely affected by land surface subsidence and, as a result, military installations, lands, homes, business establishments and industries are subject to hazardous inundation from tides of the Bay. In Santa Clara County alone, approximately 40 square miles of land surface area could be adversely affected. This area houses a number of federal installations including the U. S. Naval Air Station Moffett Field and the National Aeronautics and Space Administration's Ames Research Facility. Industrial productivity could be adversely affected by tidal flooding since defense industries such as Lockheed, and many electronics, aeronautics and space firms are located in the area. The study is essential, also, in order to permit and insure integration of any flooding solution with protection of wetlands and wildlife refuges.

The saltwater flooding problem is particularly acute in northern Santa Clara County where the threat of flooding is an annual concern. The potential for damage grows with each year. A combination of high tides, high winds, and moderate river flows have resulted in the overtopping of the inadequate, unsound, privately owned levee system in this area. The community of Alviso is especially vulnerable to this flood threat.

STUDY SYNOPSIS

This Corps of Engineers survey was authorized by the 1976 Omnibus Rivers and Harbors Bill to examine the tidal flooding from San Francisco Bay. Funds were first appropriated in FY1979 and the study has been initiated by the San Francisco District office of the U. S. Corps of Engineers. Three broadly based public meetings have been held and the San Francisco District has retained a consultant to define damage potentials and constraints and to assimilate the testimony requesting federal assistance given at those public hearings in January 1979.

FY1983 FUNDING

Funds are included in the President's budget proposal for this urgent need to identify the hazards from tidal inundation with an objective, scientific study. Local agencies have neither the resources nor the geographical scope to deal with this problem which affects the entire San Francisco Bay Region. As you know, however, local support is very strong.

RECOMMENDATION

We urgently request that the Committee support the President's FY83 Budget proposal for this vital study.

SUMMARY

The Statement urges augmentation of the President's 1982-83 Budget in the amount of $270,000 for the Corps of Engineers' Survey of Guadalupe River and Adjacent Streams, Santa Clara County, California.

This study has been funded for nine years at a Federal cost of $1,464,000 and a local cost of approximately $430,000. Potential damages of $61,000,000 have been identified.

BACKGROUND

Guadalupe River is a major waterway that flows through the highly urbanized area of Santa Clara County, California. Historically, this stream has flooded the downtown areas of San Jose and Alviso beyond local capability to prevent. For example, the estimated damages from a one percent or 100-year flood, which would inundate the urban center of San Jose, is $61,000,000. It is estimated that a 50-year flood would cause $33,000,000 worth of damage under existing conditions. The probability of such floods occurring before implementation of flood prevention measures is quite high. A 50-year flood has an 18 percent chance of occurring during a 10-year period; a 100-year flood has about a 10 percent chance of occurring during this same period. There is strong potential, therefore, that a damaging flood will occur before the problem can be resolved.

STUDY SYNOPSIS

In 1971, the community asked the Corps of Engineers to reactivate its 1945 study. The Plan of Study was completed in 1973. The initial problem definition and alternative screening was completed in 1974. More detailed problem definition and alternative definitions for the Guadalupe River and Coyote Creek were completed in 1978. The third phase, study of freshwater flooding in the Baylands, was completed in 1979. The Stage 2 report has just been completed on the combined Guadalupe River and Baylands.

In an effort to accelerate the completion of this project, the local people through the Santa Clara Valley Water District have provided a substantial amount of technical and financial assistance since 1972. Special planning studies have been completed by the District for inclusion into the Corps' studies at a cost of over $430,000.

To date, therefore, over $1.9 million has been expended on this study. The necessity to reduce Federal expenditures to meet economic goals is recognized. Nevertheless, projects such as the Guadalupe River, where costly studies are nearly complete and economic feasibility has been established, should be adequately funded. Funding for FY1982 was inadequate to complete the Stage 3 Feasibility Study.

RECOMMENDATION

The very high flood risk and potential damage, the impacts of inflation, and the minor expenditure now required lead us to urgently request that Congress appropriate the Corps' capability of $270,000 to complete the feasibility report for the Guadalupe River and Adjacent Streams Study in FY1983.

SUMMARY

The Statement supports the President's 1982-83 Budget in the amount of $90,000 for the Corps of Engineers' Pajaro River: Uvas-Carnadero Project, Santa Clara County, California.

This study has been funded for three years at a Federal cost of $545,000 and a local cost of $27,000. Potential damages of $23,000,000 have been identified.

BACKGROUND

The Uvas-Carnadero Creek Project is located in Gilroy in the southern part of Santa Clara County, California. The Uvas-Carnadero Creek portion of the Pajaro River Basin Study was completed in August 1975. The proposed project is a single levee to prevent flood flows from entering the southern part of the City of Gilroy. In June 1976, a public meeting was held by the Corps of Engineers in Gilroy.

The Corps first received funding for the design phase of this project in FY1979 and has received funding in all subsequent years. The Corps has completed a Draft Phase 1 General Design Memorandum which recommended a $3.2 million (Federal share $1.2 million) project with a benefit/cost ratio of 3.1 to 1. At a public hearing in Gilroy in February 1981 the community expressed strong support for the project.

The proposed project would protect about 600 existing homes, a high school and a number of commercial and industrial establishments from flooding.

To date over $500,000 has been expended to study this flooding problem, and an economical solution is available quickly. While recognizing the national economic goals it is important that this critical and long planned flood protection be provided for the urban area of the City of Gilroy.

STATUS OF STUDY

The Corps has started Phase II of the General Design Memorandum. The proposed funding would allow completion of Phase II and lead to initiation of construction of this needed facility in FY1985 if the necessary funding is provided.

RECOMMENDATION

Community development has long contemplated completion of this protection project. Given the high benefit/cost ratio this is a very efficient use of public funds. We therefore ask the Committee's support of the President's budget for this project.

MERCED COUNTY STREAMS, CALIFORNIA

STATEMENT OF JAY ANDERSON, SECRETARY-MANAGER, MERCED IRRIGATION DISTRICT

Mr. FRANKLIN. Senator Johnston, our next speaker is Mr. Jay Anderson, secretary-manager for the Merced Irrigation District, Merced, Calif.

Mr. ANDERSON. Senator Johnston, I have with me the chairman of the district, Joseph Plagenza, appearing here today.

Mr. Katz has stated our case pretty well. I would like to say that we are not in the President's budget this year, the project was authorized in 1970; the presentation planning was completed, and we would like to have an allocation there because we have entered into an agreement to cost-share that project if the Congress does not act on the cost-sharing.

To save time, I would like to ask that my complete statement be placed in the record.

Senator JOHNSTON. Thank you very much. All of these statements will be placed in the record following your oral remarks.

[The statement follows:]

STATEMENT OF JAY ANDERSON, SECRETARY-MANAGER, MERCED (CALIF.) IRRIGATION DISTRICT

My name is Jay Anderson, Secretary-Manager of the Merced Irrigation District in Merced, California. I am representing the County of Merced, which is the sponsor of the Merced County Streams Project; the County is joined by the Merced Irrigation District, the City of Merced, the El Nido Irrigation District and the Le Grand-Athlone Water District.

The plan formulated by the Corps of Engineers, Sacramento District, shows that the construction of dams on Canal and Black Rascal Creeks, the enlargement of Bear Creek Dam and the improvement of 47 miles of channels and levees would provide for protection to about 55,000 acres of agricultural and urban areas. It would also provide protection to Castle Air Force Base, a major installation of the Strategic Air Command. The protection to Castle Air Force Base at present is by diverting flood water through the Merced Irrigation District canals through areas completely out of the flood plain. This practice has resulted in damages to the District's water distribution system, and must be discontinued. The City of Merced is vulnerable to flooding without the project.

The agricultural areas subject to flooding are planted to trees and row crops and comprise some of the finest agricultural lands in the San Joaquin Valley. Dairy and beef cattle thrive on many acres of irrigated pasture. Only about 1% of the 1981 crop value was under any federal or state subsidy.

The estimated cost of the project is $82,700,000 and is economically feasible with a favorable benefit-cost ratio. Damages are estimated to exceed $6,000.000 per year without construction of the project.

The studies by the Corps were started in 1958 and led to Congressional Authorization in 1970. Approximately $6,000,000 has been spent on the Phase I and Phase II studies by the Corps, and the project is in line for a construction start.

The local agencies have met with the Corps of Engineers to discuss cost-sharing proposals. Letters of intent have been exchanged between the County of Merced, The California Reclamation Board, and the Corps regarding the funding of the project.

Pending Congressional approval of a cost-sharing formula we request the President's Budget include a line item appropriation of $5,000,000 for the fiscal year 1982-83 so that the Merced County Streams Project can proceed on schedule.

LETTER FROM AL BARDINI, CHAIRMAN, MERCED COUNTY (CALIF.) BOARD OF SUPERVISORS

February 9, 1982

Honorable William R. Gianelli
Assistant Secretary (Civil Works)
Department of the Army
The Pentagon, Room 2E570
Washington, D.C. 20310

Dear Mr. Secretary:

Following receipt of your letter of January 8, 1982, representatives of the County of Merced met with Mr. Robert Eiland of your staff to discuss your cost-sharing concepts as they relate to the Merced County Stream Group Project.

Today the Merced County Board of Supervisors reaffirmed its support of this project.

It is our intention to continue to work with the State of California, the U.S. Corps of Engineers and other affected agencies in an effort to meet the financial requirements outlined by Mr. Eiland. It is the intent that Merced County's share of local costs will be obtained through some type of benefit-assessment yet to be established.

In further discussions with the Federal Government as to the allocation of Federal-local costs, we encourage consideration of the importance of flood control protection which this project offers to Castle Air Force Base and its personnel, many of whom reside in the area to be protected. We believe that the Strategic Air Commands defense mission will be enhanced by early completion of the Merced County Streams Group Project.

Sincerely,

Al Bardini, Chairman
Merced County Board of Supervisors

LETTER FROM WILLIAM R. GIANELLI, ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS)

8 JAN 1982

RECEIVED
13.
MERCED COUNTY
BOARD OF SUPERVISORS

Ms Ann Klinger, Chairperson
Merced County Board of Supervisors
2222 M Street
County Administration Building
Merced, California 95340

Dear Ms Klinger:

The Merced Project is one of a number of good projects of the Corps of Engineers that are ready to go to construction in Fiscal Year 1983. We would like to start construction then, but, as I am sure you are aware, we are faced with budget exigencies that make the availability of Federal funds for discretionary programs, including water projects, severely limited at best. Also, as you may have heard, it is, in any case, the policy of the Administration that a higher degree of non-Federal cost sharing and financing of water projects is both desirable and necessary to put the water project program on a sound basis.

This situation leads to the conclusion that a new approach is necessary if good water projects are to compete for funds. Accordingly, we have developed an approach that we believe may permit us to recommend to the President and the Congress a substantial, nationwide program for new construction starts in 1983, and we would like to discuss with you the possibility of proceeding with the Merced Project under definite financial arrangements. To that end, Colonel Kavanaugh of the Sacramento District of the Corps of Engineers is arranging for an early meeting with you to discuss this program for new starts. Mr. R.G. Eiland of my personal staff will attend.

It is fully recognized that our proposals are not in accord with traditional and established cost sharing policies, and that any project financial package we may put together and recommend will have to be specifically reviewed and approved by the Office of Management and Budget and by the Congress. It is believed, however, that the plan does provide a practical basis for moving ahead with good water projects in 1983. Of course, we fully understand that you will want to weigh the advantages and disadvantages in your own situation, as well as all the options open to you. Whether or not you will wish to proceed with us is entirely at your own option.

In any case, I want to offer what I believe is the best opportunity to move forward, and I hope you will understand the practical reasons for this new initiative.

Sincerely,

W R Gianelli
William R. Gianelli
Assistant Secretary of the Army
(Civil Works)

LETTER FROM WILLIAM R. GIANELLI, ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS)

17 FEB 1982

Mr. Al Bardini
Chairman, Merced County
Board of Supervisors
2222 M Street
County Administration Building
Merced, California 95340

Dear Mr. Bardini:

I have your letter of February 9, 1982, and I very much appreciate your positive response to our proposal for financing the Merced Streams Flood Control Project. We have just received a similar commitment from the State Reclamation Board.

As indicated, we will be preparing budget amendments and will be recommending to OMB that construction of this project begin in FY 83.

I note your point regarding the benefits of the project to the Castle Air Force Base. We will review that matter as you suggest.

Finally, I do appreciate the serious and courteous attention that you and all of the other people from Merced gave us at the meeting in Sacramento on February 3rd.

Sincerely,

Signed

William R. Gianelli
Assistant Secretary of the Army
(Civil Works)

SANTA ANA RIVER (PHASE I), CALIF.

STATEMENT OF RALPH CLARK, SUPERVISOR, ORANGE COUNTY, CALIF.

Mr. FRANKLIN. Senator Johnston, our next speaker is Ralph Clark, supervisor of Orange County.

Mr. CLARK. Good afternoon, Mr. Chairman. I am Ralph Clark, a member of the board of supervisors of Orange County, Calif., representing the fourth district, which includes the cities of Anaheim, Buena Park, Orange, and La Palma. I am also the former mayor of the city of Anaheim, the home of Disneyland, the California Angels, and the Los Angeles Rams. I am here today asking for congressional support for continued funding for phase I of the Santa Ana River main stem project.

In 1970 we, in Orange County, were proud of having become one of the largest urban counties in the United States. We were proud of our sound planning with a balance of industry, commerce, and residential development. Unfortunately, it was in 1970 that the Corps of Engineers announced that Prado Dam, constructed by the Corps of Engineers in 1941, does not have the capacity to protect Orange County residents living within the flood plain of the Santa Ana River from a standard project flood. Since that time, the Santa Ana River has been acknowledged by the Corps of Engineers as the worst flood hazard threat in the United States, threatening the lives and property of 4.5 million residents who once believed they lived in a flood-free area. If this project is deferred, devastation from a great flood is inevitable. It is estimated the damages would be on the order of $9 billion. The number of lives lost cannot be accurately estimated.

My purpose in appearing before you today is twofold. First of all, I want to urge you to appropriate an adequate amount of money for fiscal year 1983 in order to expedite the planning work on the Santa Ana River project so that the needed flood protection can be provided before the occurrence of a great disaster. Second, I want to let you know of our recognition of the need for fiscal economy at all levels of government and our recognition of the potential cost of the Santa Ana River project. In view of that, we are willing and able to assume a reasonable level of cost sharing for those aspects of the project in Orange County and pursue reasonable means of reducing the cost of the entire project as additional studies are conducted by the Corps of Engineers.

As a member of the board of supervisors of California's second largest population center, I urge your support for funding continuation of phase I of the Santa Ana River main stem project for fiscal year 1983.

Thank you for your consideration.

Senator JOHNSTON. Thank you, Mayor. We are well aware of the danger there; we have a similar danger in the city of New Orleans from a hurricane if it hits. We are well aware of that. We really must get on with that Phase I effort, and we will support you there.

Mr. CLARK. Thank you, Senator.

STATEMENT OF GEORGE OSBORNE, REPRESENTING THE SANTA ANA RIVER FLOOD PROTECTION AGENCY

Mr. FRANKLIN. Our next speaker is George Osborne, representing the Santa Ana River Flood Protection Agency.

Mr. OSBORNE. I am George Osborne, director of a group consisting of 18 cities in the Santa Ana River area where a 1 million population exists. The agency supports the all-river plan of the Corps of Engineers, but remains flexible toward changes that may be found necessary or desirable in continuing work on the general design memorandum by the Corps of Engineers.

We urge your appropriation of $3.4 million for the 1983 budget so the Corps of Engineers may continue work on general design memorandum for this plan.

Thank you for your attention, and may I make my written statement a part of the record?

Senator JOHNSTON. Yes, indeed, Mr. Osborne.

[The statement follows:]

STATEMENT OF GEORGE OSBORNE, EXECUTIVE DIRECTOR, SANTA ANA RIVER FLOOD PROTECTION AGENCY

The Santa Ana River Flood Protection Agency is a joint powers group consisting of 22 members including 18 cities on the Santa Ana River overflow area with a current population of about 1.5 million.

Prado Dam on the Santa Ana River, completed by the Corps of Engineers in 1941, was intended to protect downstream lands from a project flood and it was in reliance on this dam that the county and cities permitted extensive development on the flood plain between 1941 and 1969.

In 1969 the Corps of Engineers determined that Prado would not contain a project flood projected on the basis of new hydrologic data, accelerated development on the watershed above Prado, and the amount of sedimentation in Prado Reservoir. The Corps now estimates that a project flood would cause $9 billion in damages and that the Santa Ana River is the most severe flood threat in the Nation.

The all-river plan has been developed by the Corps of Engineers and selected from several alternatives as the best plan for control of floods on the Santa Ana River from the mountains to the sea and this agency supports that plan but remains flexible toward changes that may be found necessary or desirable in the continuing work on the general design memorandum by the Corps of Engineers.

We urge the appropriation of $3.4 million for the 1982-83 budget so that the Corps of Engineers may continue work on the general design memorandum for the all-river plan.

SAN JACINTO RIVER LEVEE AND BAUTISTA CREEK, CALIF.

STATEMENT OF KENNETH EDWARDS, CHIEF ENGINEER, RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

Mr. FRANKLIN. Our next speaker is Ken Edwards, chief engineer of Riverside County Flood Control and Water Conservation District.

Mr. EDWARDS. Mr. Chairman, I thank you for the opportunity to appear before you today.

On February 21, 1980, the San Jacinto River levee failed, causing widespread flooding in and around the city of San Jacinto, Calif. It was designed and constructed by the Corps of Engineers in the early 1960's. The Corps has stated the failure occurred because of a deficiency in the design which was unable to withstand the scouring action of flows impinging on the levee.

Emergency repairs were made to the levee in 1980. They estimate the cost to completely correct the deficiency to be about $10 million. Congress appropriated $2 million to start work in fiscal year 1982 on this project, and I appreciate your committee's support in this.

The President's budget recommends $2 million for the San Jacinto River-Bautista Creek for 1983. However, in order to complete the phase of construction prior to that, the Corps will need $4 million additional dollars in fiscal year 1983, and I urge the committee to approve $4 million for the San Jacinto River-Bautista Creek construction.

I might also mention that we have allocated the funds needed to pay for the required local cost under the original project authorization.

The Santa Ana River main stem project which has been previously referred to, also affects Riverside County, and we support the President's recommendation of $3.4 million to continue those studies for the hopeful authorization of the project.

We also support funding of $655,000 for the tributaries to the Santa Ana River, which includes studies around Lake Elsinore, and we support that proposed funding.

Thank you.

Senator JOHNSTON. Thank you very much, Mr. Edwards.

[The statement follows:]

STATEMENT OF KENNETH EDWARDS, CHIEF ENGINEER, RIVERSIDE (CALIF.) FLOOD CONTROL AND WATER CONSERVATION DISTRICT

SAN JACINTO RIVER AND BAUTISTA CREEK CHANNEL

On May 17, 1950, the Congress approved Public Law 516, which authorized several water resource projects. Included in that Act was the authorization of construction of flood control improvements along the San Jacinto River and Bautista Creek near the city of San Jacinto, California. In 1962, the Los Angeles District of the Corps of Engineers completed construction of 3.7 miles of levee improvement along the San Jacinto River and 1.3 miles of levee and 3.25 miles of concrete lined channel along Bautista Creek. The project authorized by Congress required that local or non-federal interests pay for all lands, easements and rights of way; relocate utilities; pay for bridge crossings; hold and save the United States Government free and harmless from any damages that might occur by virtue of the construction; and operate and maintain the works of improvement. The final cost of the project was 4.4 million dollars, of which non-federal interests paid 1.4 million dollars.

On February 21, 1980, the San Jacinto River levee failed causing widespread flooding in and around the city of San Jacinto, California. Portions of the left bank levee along Bautista Creek failed during the same time period. Damages as a result of the levee failure were about 30 million dollars. The San Jacinto River levee was designed to control a flow of 86,000 cubic feet per second but failed on the occurrence of a flow of 25,000 cubic feet per second. An "Engineer Team" was convened immediately after the flood by the Los Angeles District, Corps of Engineers to determine the probable cause of the levee failure and recommend corrective action. The Engineer Team determined that the cause of failure was a deficiency in design which was unable to withstand the scouring action of flows impinging on the levee.

Emergency repairs were made to the levee in 1980 by the Corps under PL 84-99. On March 31, 1981, the Chief of Engineers issued a directive on correcting design or construction deficiencies whereby the local agency would share costs as per the project authorization. In January 1982 that policy was rescinded and changed to require local agencies to provide upfront cost-sharing of 25 percent. The estimated cost to correct the design deficiencies for the San Jacinto River Levee and Bautista Creek Channel is about 10 million dollars. The Corps policy of 25 percent upfront costs would require our District to provide about 2.5 million dollars, which we simply do not have available. Under the project authorization our share of costs would be about $500,000.00 which we are able and prepared to finance.

The FY 82 appropriation for Energy and Water Resource projects provided 2.0 million dollars for San Jacinto River and Bautista Creek to start work on correcting these serious deficiencies. Congress did not place any new conditions on cost-sharing for this project at that time. The President's budget recommends 2.0 million dollars for San Jacinto River - Bautista Creek for FY 83. We support funding to move ahead on correcting these deficiencies. The Corps, however, will need an additional 4.0 million dollars to be able to start construction in FY 83. I urge your committee recommend and the Congress approve at least $4,000,000.00 for the San Jacinto River - Bautista Creek project for FY 83 and that the Committee take a position advising the Corps of Engineers that cost-sharing is to be as per the authorization made by Congress in 1950, unless Congress changes that requirement.

SANTA ANA RIVER - MAIN STEM

The report on Santa Ana River Main Stem, including Santiago Creek, California, Phase I, has been completed and the Chief of Engineers has submitted that report to the Secretary of the Army. The report recommends construction of the All River Plan which consists of a dam near Mentone, California; enlargement of the existing Prado Dam near Corona, California; channel improvements along the river in Orange County; improvement of the Oak Street drain channel in Corona, California; and improvement of Santiago Creek in Orange County. The All River Plan was developed over a period of several years of study by the Corps of Engineers and agreed to in concept by the three affected Counties, i.e., Orange, Riverside and San Bernardino, and the State of California.

The process of review by the Administration and the Congress will take some time. In the meantime the Corps desires to proceed with Phase II studies, realizing until authorization is completed there can be no construction activity. The President has recommended $3,400,000.00 for continuing study on the Santa Ana River Main Stem in FY 83. We support that request.

SANTA ANA RIVER AND ORANGE COUNTY

The Corps of Engineers has been studying flooding and associated water resource problems along several streams tributary to the Santa Ana River and in Orange County. One major tributary, the San Jacinto River, has been under study for the past two years. There are two major problem areas that require improvements. The existing San Jacinto River levee constructed by the Corps of Engineers in 1962 needs to be extended about 5 miles in a northwesterly direction to protect valuable agricultural, dairy and residential property and several major highways that provide access to the Hemet-San Jacinto Valley.

Lake Elsinore is a natural lake basin that is the terminus of the San Jacinto River. Flood flows into the lake in February and March 1980 caused the lake to reach record high levels. These unprecedented lake levels caused widespread flooding around the lake with about 283 homes and mobile homes damaged by the rising lake waters. Significant economic damage was experienced by the community as the high water levels restricted the recreational use of the lake for several months. The Los Angeles District of the Corps of Engineers has completed a Stage I Reconnaissance Report on Lake Elsinore. The District Commander recommends a continued Federal presence in planning for flood damage reduction and related purposes for the basin. Funding must be made available in FY 83 to continue that planning work to completion.

The President has recommended an appropriation of $655,000.00 for the Santa Ana River and Orange County. We support this request and urge your committee recommend and the Congress approve $655,000.00 for Santa Ana River and Orange County surveys.

SANTA ANA RIVER (PHASE I), CALIF.

Mr. FRANKLIN. Our next speaker is Mr. David McKenna of the board of supervisors.

Mr. MCKENNA. Thank you. I represent a portion of San Diego that contains the upper Santa Ana. I see you are now looking at our statement; it is the yellow statement.

I am here to say we support the administration's proposal to continue study of that phase I and we prefer the phase I rather than, perhaps, what has been talked about as phase II. We prefer phase I's flexibility in looking at more cost effective sites. That is the upper Santa Ana region and we support the Santa Ana with respect to all river plans.

Also, the Santa Ana River study we support, and the Cucamonga Creek, the West Valley portion we support the $11.5 million funding requirements for the next fiscal year.

Thank you.

Senator JOHNSTON. Thank you.

[The statement follows:]

STATEMENT OF ROBERT L. HAMMOCK, CHAIRMAN, SAN BERNARDINO COUNTY (CALIF.) BOARD OF SUPERVISORS

The San Bernardino County Board of Supervisors wish to express appreciation to your committee for your continued support of the Federal Flood Control Program of vital importance to life and property in San Bernardino County. This Board is also appreciative of the opportunity to afford the following budget recommendations and support for 1982-83 fiscal year:

A.	Cucamonga Creek	$11,500,000
B.	Santa Ana River and Orange County Review Report	655,000
C.	Santa Ana River Main Stem Flood Control Project	3,400,000

These project budgetary recommendations are within the capability of the U. S. Army Corps of Engineers. They are also urgently recommended by the State of California.

This Board considers these budgetary needs essential and urgent for local needs, and the national interest and continues to support the need for flood control on the Santa Ana River subject to the availability of funds for cost sharing by the local entities and concerns expressed in attached Resolutions, Appendixes 5 & 6.

Again, our Board and the people of San Bernardino County wish to express appreciation for your past and present support of this priority program.

PROJECT CONSTRUCTION FUNDS
CUCAMONGA CREEK, SAN BERNARDINO COUNTY

PROJECT AUTHORIZED	Public Law 90-483, 90th Congress, 2nd Session, Approved August 13, 1968
TOTAL CONSTRUCTION FUNDS REQUIRED: (1)	$ 139,400,000 (1)
PRIOR FEDERAL CONSTRUCTION FUNDS	$ 70,341,000
CORPS OF ENGINEERS' CAPABILITY Fiscal Year 1982-83:	$ 11,500,000
STATE OF CALIFORNIA WATER COMMISSION RECOMMENDATIONS Fiscal Year 1982-83:	$ 11,500,000
PRESIDENT'S BUDGET	$ 11,500,000
REQUIRED ACTION:	Approval by Appropriations Committees and Congress of $11,500,000 in Fiscal Year 1982-83 budget for construction of this urgently needed project for the protection of life and property in the cities of Upland, Ontario, and Rancho Cucamonga.

(1) Includes $26,400,000 non-Federal construction costs.

SURVEY FUNDS
SANTA ANA RIVER BASIN AND ORANGE COUNTY REVIEW REPORT
SAN BERNARDINO, RIVERSIDE, AND ORANGE COUNTIES, CALIFORNIA

SURVEY AUTHORIZED:	Review Report Authorized by Resolution of the House of Representatives Committee on Public Works, adopted May 8, 1964
TOTAL SURVEY FUNDS REQUIRED	$ 5,970,000 (1)
PRIOR SURVEY FUNDS APPROVED 1965 thru 1981:	$ 3,337,000 (2)
CORPS OF ENGINEERS' CAPABILITY Fiscal Year 1982-83	$ 655,000
STATE OF CALIFORNIA WATER COMMISSION RECOMMENDATIONS Fiscal Year 1982-83	$ 655,000
PRESIDENT'S BUDGET Fiscal Year 1982-83	$ 655,000
REQUIRED ACTION:	Approval of $655,000 by Appropriations Committees and Congress for continuing survey in Fiscal Year 1982-83.

(1) San Bernardino County Survey portions include Mentone Dam, San Timoteo Creek and tributaries (San Timoteo Creek-Loma Linda, Redlands Zanja, Wilson and Wildwood Creeks), Warm Creek and tributaries, San Sevaine Creek and tributaries, and Rialto Channel.

(2) Includes $425,000 previously allotted to Bureau of Reclamation. (Department of Water and Power Resources).

PHASE I
PLANNING AND ENGINEERING
SANTA ANA RIVER MAIN STEM FLOOD CONTROL PROJECT

PROJECT AUTHORIZED:	Public Law 94-587, Section 109, 94th Congress, 2nd Session, Approved October 22, 1976.
TOTAL PLANNING AND ENGINEERING FUNDS REQUIRED:	$ 18,600,000
PRIOR PLANNING AND ENGINEERING FUNDS:	$ 2,200,000
CORPS OF ENGINEERS'CAPABILITY Fiscal Year 1982-83	$ 3,400,000
STATE OF CALIFORNIA WATER COMMISSION RECOMMENDATIONS Fiscal Year 1982-83	$ 3,400,000
PRESIDENT'S BUDGET Fiscal Year 1982-83	$ 3,400,000
REQUIRED ACTION:	Approval by Appropriations Committees and Congress of $3,400,000 to continue Phase I Planning and Engineering. By Resolution March 1, 1982 the Board of Supervisors of San Bernardino County stated continued support for the need for flood control on the Santa Ana River subject to the availability of funds for cost sharing by the local entities.

SUMMARY OF RESOLUTIONS

ADOPTED BY SAN BERNARDINO COUNTY BOARD OF SUPERVISORS

REGARDING MAINSTREAM SANTA ANA RIVER PROJECTS

APPENDIX 5: Resolution adopted March 1, 1982, by the Board of Supervisors of San Bernardino County expressing continued support of the need for flood control on the Santa Ana River subject to the availability of funds for cost sharing by the local sponsors.

APPENDIX 6: Resolution adopted March 22, 1982, expressing support for the continuation of the Corps of Engineers' study of the Mentone Dam with approval to proceed from the County dependent on a satisfactory outcome or the formation of an independent board of consultants to make further studies in order to obtain an independent decision regarding implementation of the Mentone Dam.

March 1, 1982

MINUTES OF THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA

RE: FLOOD CONTROL: GENERAL: LOCAL PARTICIPATION IN FEDERAL PROJECTS

On motion by Supervisor Townsend, duly seconded by Supervisor McKenna, and carried, the Board of Supervisors of the County of San Bernardino, State of California does hereby adopt the following resolution.

RESOLUTION NO. 82-56

A RESOLUTION OF THE COUNTY OF SAN BERNARDINO RESPONDING TO THE JANUARY 15, 1982 REPORT OF THE CHIEF OF ENGINEERS TO THE SECRETARY OF THE ARMY RECOMMENDING COST SHARING ON THE SANTA ANA RIVER PROJECT WHICH IS ACCEPTABLE TO THE CONGRESS AND THE PRESIDENT.

WHEREAS, the Board of Supervisors of the County of San Bernardino previously endorsed the All River Plan by Resolution 80-243 in September, 1980; and

WHEREAS, this Resolution supersedes that portion of Resolution 80-243 relating to San Bernardino County Flood Control District agreeing to the cost sharing requirements that may be set by Congress at the time of authorization of the All River Plan; and

WHEREAS, the Phase I General Design Memorandum (GDM) recommended the All River Plan and further recommended cost sharing in accordance with President Carter's proposed cost sharing legislation for water resource projects; and

WHEREAS, the Phase I GDM which recommends the All River Plan was recently approved by the Chief of Engineers on January 15, 1982 and the Chief of Engineers recommended the project subject to cost sharing for the project which would be acceptable to the President and to the Congress.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of San Bernardino County continues to support the need for flood control on the Santa Ana River subject to the availability of funds for cost sharing by the local entities.

PASSED AND ADOPTED by the Board of Supervisors of the County of San Bernardino, State of California by the following vote:

AYES: Older, McElwain, McKenna, Townsend, Hammock
NOES: None
ABSENT: None

March 1, 1982 #41

* * * * * *

STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO } ss.

I, ANDREE DISHAROON, Clerk of the Board of Supervisors of San Bernardino County, California, hereby certify the foregoing to be a full, true and correct copy of the record of the action taken by said Board of Supervisors, by vote of the members present, as the same appears in the Official Minutes of said Board of its meeting of MARCH 1, 1982

Dated: 3/2/82 eh

ANDREE DISHAROON
Clerk of said Board

By

MINUTES OF THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA

RE: FLOOD CONTROL: GENERAL: SANTA ANA RIVER MAIN STEM ALL RIVER PLAN

RESOLUTION NO. 82-

A RESOLUTION OF THE COUNTY OF SAN BERNARDINO EXPRESSING SUPPORT FOR CONTINUED STUDIES OF THE MENTONE DAM AND OUTLINING REQUIREMENTS TO RESOLVE COUNTY CONCERNS

WHEREAS, the Los Angeles District of the U.S. Army Corps of Engineers has continued work during the current Fiscal Year 1981-82 on Phase I, General Design Memorandum on the Santa Ana River Main Stem, including Santiago Creek and Oak Street Drain and studies of the Mentone Dam, and has been coordinating this work with all affected local agencies for review and comment; and

WHEREAS, the District Engineer of the Los Angeles District continues to recommend implementation of Alternative 6, the All River Plan, including implementation of the Mentone Dam as the most viable plan for flood control and recreation development considering engineering, economic, environmental, and public preferences; and

WHEREAS, the Board of Supervisors of the San Bernardino County Flood Control District, by Resolution No. 82-56, resolved that San Bernardino County continues to support the need for flood control on the Santa Ana River subject to the availability of funds for cost sharing by the local entities; and

WHEREAS, the Board of Supervisors of San Bernardino County has received comment from several local agencies, groups, and public voicing their concerns regarding the proposed Mentone Dam, which is part of the All River Plan.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of San Bernardino County does support the continuation of the U.S. Army Corps of Engineers Phase I Study of the Mentone Dam and the County of San Bernardino will provide support for these studies by the U.S. Army Corps of Engineers within the capabilities of County resources.

BE IT FURTHER RESOLVED that approval by the Board of Supervisors to proceed with construction design by the U.S. Army Corps of Engineers is subject to San Bernardino County approval of a satisfactory outcome of the Phase II Studies with particular reference to:

1. Dam siting
2. Conservation of water resources and groundwater recharge
3. Impact on land use and specific site planning
4. Specific geotechnical evaluation
5. Aesthetic treatment
6. Hydrologic development

BE IT FURTHER RESOLVED that if the outcome of the Phase II Studies is unsatisfactory to San Bernardino County after appropriate public hearings and findings, a letter to that effect from the Board of Supervisors shall be deemed as an objection to the entire Mentone Dam project portion of the All River Plan.

BE IT FURTHER RESOLVED that in order to resolve such objections or problem, the County Board of Supervisors may request an independent board of consultants for recommendations or another device under terms and conditions mutually agreed upon to obtain an independent analysis concerning the Mentone Dam project portion of the All River Plan.

PASSED AND ADOPTED by the Board of Supervisors of the County of San Bernardino, State of California by the following vote:

SANTA ANA RIVER BASIN AND ORANGE COUNTY REVIEW REPORT
RIVERSIDE, ORANGE, SAN BERNARDINO COUNTIES

Since 1939, the San Bernardino County Flood Control District's inception, the people of San Bernardino County have worked with the Corps of Engineers and the Federal Government to develop the existing system of basins and outlet channels delineated in green on the adjoining map. These existing facilities provide flood protection for major portions of the San Bernardino Valley, from floods originating in the large mountain watershed delineated by green shading.

Additional watersheds, in red shading, remain without the necessary downstream protection which would be provided by the basin and channel systems delineated by the red linework. These San Bernardino County projects include: Day, East Etiwanda and San Sevaine Creeks; Rialto Channel; Upper Warm Creek and tributaries (Warm, Sand and Little Sand Creeks, Del Rosa Channel and Harrison Basin); and San Timoteo Creek and tributaries (San Timoteo, Zanja, Wilson and Wildwood Creeks).

The projects are presently under survey by the U. S. Army Corps of Engineers and the necessary continued funding of $655,000 is recommended and included in the President's Budget for FY 1982-83. This amount is within the Corps' capability and will provide for the continuation of the survey which includes flood control projects in San Bernardino County as well as certain other streams in other counties of the Santa Ana River Basin.

SANTA ANA RIVER MAIN STEM PHASE I
RIVERSIDE, ORANGE, SAN BERNARDINO COUNTIES

The large remaining watershed indicated by blue shading, is the Upper Santa Ana River headwaters. Shown in yellow linework is the Mentone Dam at its proposed location in the Santa Ana Wash just downstream of the canyon mouth. Continuing along the blue lettering is the route of the Santa Ana River through San Bernardino and Riverside Counties to Prado Dam and Reservoir. This represents 26 miles of natural wash, mostly uncontrolled, for which the Mentone Dam would provide needed flood protection in addition to reducing the requirements for improvement to Prado Dam and the downstream channel through Orange County. The reduced Prado right-of-way requirements are also shown in yellow.

This All River Plan would serve the two-fold purpose of providing flood control for upstream portions of the river and reducing the impact, of flood control for Orange County, to a major dairy producing area of the country. The construction of the All River Plan would reduce the large additional right-of-way requirement that would be necessary in the Prado Basin Dairy and Agriculture Preserve.

The blue dots on the map represent the historic proposed alternate dam locations, located high in the canyon and within the National Forest boundaries. All of these dams within the National Forest would not provide the same degree of protection provided by the proposed dam located downstream across the large wash area pictured on the cover of this booklet.

The $3,400,000 recommended for FY 1982-83 is included in the President's Budget and is within the Corps' capability. The funds will continue Phase I planning and engineering.

SANTA ANA (PHASE I), CALIF.

STATEMENT OF LOUIS FLETCHER, CHIEF ENGINEER, SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

Mr. FRANKLIN. Next is Mr. Louis Fletcher, general manager and chief engineer of the San Bernardino Valley Municipal Water District.

Mr. FLETCHER. Thank you very much for the privilege to appear here today, Senator Johnston. I appreciate your problems. I went through this same thing when my two daughters came home from college recently and asked for increased funding, and so I know there are a lot of priorities to set here today.

I would first like to introduce my board vice president, Norman Forrest.

Our district has a population of 360,000 people and covers 328 square miles. Its main function is to import Federal water from the north and to guard and protect the natural water supply of our area which is so precious to us today.

LOCAL CONCERNS

On March 18, 1982, the Assistant Secretary of the Army, William Gianelli, sent a letter to the sponsors of the proposed Santa Ana River flood control project expressing his concerns about the project's billion dollar price tag and about the questions being raised regarding engineering and environmental problems. We support the concept of Mr. Gianelli's letter. We feel a great concern about one feature of the project, the proposed Mentone Dam which will cost in excess of $400 million and, if constructed, will have a volume of 66,000,000 cubic yards of sand, gravel, and impervious material; and 377,000 cubic yards of concrete. It will be 250 feet high and 3½ miles long. The proposed site for the construction of this dam is over our main spraying ground where we recharge our extensive ground water system. In 1 year, we can recharge as much as 300,000 acre of water into the ground water system in this area. With the present cost of new imported water to southern California of $300 an acre, this means availability of ground water into the ground of $100 million in a single year.

Six water agencies within the district are opposing this. Our recommendation is that instead of citing these here, the Corps of Engineers in the phase I effort study the alternatives of multidams in the mountains which are in remote areas, will cost at least $100 million less than the proposed single Mentone Dam, and further, that can be staged over the 100-year life of the project to reduce the present worth value of the alternative project.

Senator JOHNSTON. Mr. Fletcher, are earthquakes a big concern in the construction of this Mentone Dam?

Mr. FLETCHER. It is situated immediately adjacent to the main branch of a fault, and they said they must design the dam to withstand 8-plus on the Richter scale earthquake which has 1,000 times the energy of the earthquake. The dam will be situated on alluvium. If we construct the dam in the mountaineous sites, we will have, we feel, a better foundation and the earthquake problems will not be as serious.

Mr. FRANKLIN. I might add, Mr. Chairman, the State of California, our dam safety division, requires any facility of that magnitude in the vicinity of that fault to withstand that kind of impact, that 8.5 impact.

Senator JOHNSTON. Well, there have been many competing interestes in this valley, and they are not just engineering questions, they are questions about whose ox gets goured, and what agriculture lands and what all those things get affected, and, really, the State of California is going to have to solve this problem, or certainly ought to solve it. So I hope you will move toward trying to give us some advice on the kind of system of dams, if small dams is what we go with, or whether it is the large dam.

So we look forward to getting your advice on that.

Mr. FRANKLIN. As a matter of fact, we plan to do just that. We are talking now in terms of staging the project, of having every stage stand on its own. We have discussed this with the Corps of Engineers, the Chief here in Washington, General Heiberg, and he agrees with this concept; we have discussed this with Mr. Fletcher and his folks in the San Bernardino Valley, and it might be a way to alleviate that $1 billion price tag.

Senator JOHNSTON. We need to do this fairly quickly; that is a great hazard out there.

Mr. FRANKLIN. We understand that.

Senator JOHNSTON. We will have to come to some type of judgment there.

[The statement follows:]

STATEMENT OF G. LOUIS FLETCHER, GENERAL MANAGER AND CHIEF ENGINEER, SAN BERNARDINO VALLEY (CALIF.) MUNICIPAL WATER DISTRICT

Thank you for the opportunity to speak to you today regarding the Santa Ana River Flood Control Project of the Corps of Engineers. I represent the San Bernardino Valley Municipal Water District which supplies imported water from the California Water Project to the San Bernardino Valley area of Southern California. Our water district has a population of 360,000 people and covers an area of 328 square miles.

On March 18, 1982, William R. Gianelli, Assistant Secretary of the Army, sent a letter to the sponsors of the proposed Santa Ana River Flood Control Project expressing his concerns about the project's billion dollar price tag and about the questions being raised regarding engineering and environmental problems. A copy of his letter is attached. We support the approach for finding a solution to these problems as recommended by Bill Gianelli in his letter. We wish to outline for you our own proposal for modifications to that portion of the plan that affects our water district and which we believe will satisfy strong local objections to the project from an environmental standpoint, will provide more flood control protection than the present project, and can be accomplished at a lower cost.

As a main feature of the Santa Ana River Flood Control Project, the Corps of Engineers is proposing to construct the $400,000,000 Mentone Dam within the San Bernardino Valley Municipal Water District on top of our major groundwater recharge area for both native and imported water. The proposed Mentone Dam will be immense and unsightly, having a maximum height of 235 feet; a length of three and one-half miles; a volume of 66,000,000 cubic yards of sand, gravel, and impervious material; and 377,000 cubic yards of concrete. This proposed dam will significantly reduce the available groundwater recharge area and, as the reservoir fills with debris and silt, there will be substantial losses in groundwater recharge capabilities.

Six major water agencies located within the San Bernardino Valley Municipal Water District are on record opposing the construction of a flood control dam and reservoir at the Mentone site because it will interfere with the groundwater spreading program, reduce the natural groundwater supply, and require additional imported water.

We recommend that, instead of building the Mentone Dam, the Corps of Engineers construct multiple dams in the mountains to provide greater flood protection at lower cost without interfering with vital water conservation programs. In addition to the benefits from a water conservation standpoint, we feel that this multiple dam alternative has a number of other significant advantages over the proposed Mentone Dam alternative, including the following:

1. The proposed Mentone Dam would be located immediately adjacent to the main branch of the San Andreas Fault and would be located on deep alluvium. From a seismic safety standpoint, better dam sites exist in the mountains where the foundations will rest on bedrock.

2. Constructing a series of dams in the mountains will allow staged construction, spreading the costs over a longer period of time, keeping the project size within the capabilities of local contractors, and providing more local benefits. It avoids putting all of our flood control eggs in one basket, as would be the case with the single Mentone Dam. Intercepting flood flows high in the mountains and on more streams means more flood protection for the San Bernardino Valley. The main purpose of the Mentone Dam is to reduce the amount by which the downstream Prado Dam will have to be raised by the Corps of Engineers. Multiple dams in the mountains will serve this same function and will provide additional flood protection for the local area. Our estimates indicate that providing equivalent flood storage with four dams in the mountains will cost at least $100,000,000 less than the proposed single Mentone Dam.

3. The dams and reservoirs in the mountains can be used for long-term water storage, recreation, and hydroelectric development. Because of earthquake criteria established by the Corps of Engineers Board of Earthquake Consultants,

flood waters could only be stored in the Mentone Reservoir for very short periods of time--less than 30 days.

4. Multiple dams in the mountains will be in remote areas not visible from the valley floor, whereas the unsightly Mentone Dam would be located in a heavily-populated urban area, blocking many world-famous scenic vistas. The very long construction period for the Mentone Dam would be disruptive to the residents of the San Bernardino Valley because of road closings and utility relocations.

LETTER FROM WILLIAM R. GIANELLI, ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS)

18 MAR 1982

Mr. Bruce Nestande
Chairman of the Board
of Supervisors
Orange County
10 Civic Center Plaza
Santa Ana, California 92701

Dear Bruce:

It was a pleasure meeting with you the week before last to exchange views on the Santa Ana River flood control project. As I mentioned, we have the report of the Chief of Engineers for review and eventual transmittal to the Congress.

I have been increasingly troubled by discussions with various interests, including yourself and those representing upstream groups, over the prospects of being able to proceed to construction with the All River Plan recommended by the Corps. Although the District Engineer indicated in 1980 when he submitted the report that there was local support for the plan which includes Mentone Reservoir, I am finding that many questions and concerns are now being raised by jurisdictions in the upper part of the basin. In addition, an overriding concern to all of us during these times of budget constraints is the billion-dollar price tag and the ability of Federal and non-Federal agencies to finance this cost under any acceptable cost sharing arrangements.

Rather than send forward a plan which has no hope of being implemented, I would rather hold the report until a plan can be worked out which is more realistic in terms of today's constraints and which is acceptable to local interests. This could very well be staged development consisting of combinations of the various pieces of the recommended plan with appropriate modifications. The objective would be to develop an initial stage or plan which would provide substantial flood damage reductions in a way that would be affordable and acceptable to the interests involved.

I am sending a copy of this letter to the Chairmen of the Boards of Supervisors of Riverside and San Bernadino Counties and would suggest that the three Counties discuss the possibility of agreement on staged development or perhaps a more modest plan. If this approach is acceptable to the three Counties, I would be glad to meet with the three Boards to obtain their views and then, if advisable, to request that the Corps put together as quickly as possible an appropriate report drawing on the data which have been developed over the years. This report would deal with the economics and technical aspects of an acceptable plan, including environmental features required for implementation. It would include, for information only, the traditional local cooperation requirements. Assuming that an economically justified and acceptable plan can be worked out and that we receive concurrence from the sponsors, including an indication of ability and willingness to participate at some level of cost sharing, I would then proceed to obtain clearance for transmittal of the report to the Congress.

I look forward to your reaction to this proposal and to working out a plan we all can support.

Sincerely,

Bill
William R. Gianelli
Assistant Secretary of the Army
(Civil Works)

SACRAMENTO RIVER, CHICO LANDING TO RED BLUFF, CALIF.

STATEMENT OF JUDI JOHNSON, SUPERVISOR, TEHAMA COUNTY, CALIF.

Mr. FRANKLIN. Senator, our next speaker is Judi Johnson, a member of the board of supervisors of Tehama County.

Ms. JOHNSON. Thank you.

We are small and poor, we need help here; it is a 4-mile area with bad erosion. We also need help to get it on line so we can help solve some erosion problems.

Thank you very much.

Senator JOHNSTON. Thank you.

COTTONWOOD CREEK, CALIF.

STATEMENT OF CLAIR HILL, CONSULTANT, SHASTA COUNTY, CALIF.

Mr. FRANKLIN. Our next speaker is Clair Hill.

Mr. HILL. Thank you, Mr. Chairman.

I think our statement has been submitted for a part of the record. I will say I have listened to these figures of the millions of people living in southern California in dire need of water; 10 percent of the water falls on our county. We would like to have these projects so they have the means to rectify the problem and they will stay home and not continue to come up our way.

Thank you very much.

[The statement follows:]

STATEMENT OF LARRY PRESTON, CHIEF ENGINEER, SHASTA COUNTY, CALIF., WATER AGENCY, ON BEHALF OF SHASTA COUNTY BOARD OF SUPERVISORS

Mr. Chairman, Members of the Committee, I am Larry Preston, Chief Engineer of the Shasta County Water Agency, representing the Board of Supervisors of Shasta County, California. With me today is Clair Hill, Consulting Engineer with CH2M/Hill, California, Inc.

We are requesting your support for funding for Fiscal Year 1983 for three Federal water projects which will significantly affect Shasta County. Specifically, we request your support for the amounts proposed in the President's Budget for the Cottonwood Creek Project ($3,200,000), the Shasta Dam Enlargement Investigation ($1,070,000), and the Sacramento River and Tributaries Bank Protection and Erosion Control Investigation ($297,000).

COTTONWOOD CREEK PROJECT

The requested appropriation for this project would permit the continuation of the Phase II General Design Studies for this vitally needed flood control and water supply project.

The benefit-cost ratio reported to Congress in the 1970 Survey Report was 1.18 to 1.0. Based on current water supply benefit data supplied by the State of California, and as a result of data developed in the Phase I Design Studies, the current ratio is estimated to be approximately 1.2 to 1.0, even though we are using a higher 7-1/8% interest rate, and in spite of inflationary impacts.

The administration of the State of California continues to strongly support this project. The latest State studies indicate that without additional water development, the State Water Project will fall short of its annual contractual commitments by over 2 million acre feet. The water conserved by the Cottonwood Creek Project would help to alleviate that shortage. Furthermore, the State has indicated its willingness to participate financially in the initial project construction when a reasonable and universally applied cost sharing formula is developed.

The studies being accomplished in cooperation with the U.S. Fish and Wildlife Service, California Department of Fish and Game, the Corps of Engineers, and others, indicate that environmental problems will be minimized on this project as a result of the large investment proposed for environmental mitigation and enhancement measures. It is probably the most viable project in the State of California today. The following is an outline of some of the benefits which would be derived from this project:

· Cottonwood Creek is still the largest uncontrolled tributary to the Sacramento River and Delta system. Water stored by this project would benefit the entire State in the form of reduced flood flows and a corresponding reduction in erosion problems along the Sacramento River.

· The Cottonwood Creek Project would supply approximately 200,000 acre-feet annually in new water supply. This is the amount of water needed to meet the requirements of approximately 1,000,000 people or approximately 70,000 acres of land to provide food for the nation. The State of California has made it abundantly clear that the continued prosperity and growth of the State is vitally dependent upon development of new water sources and conservation of waters otherwise wasted to the ocean.

· Unemployment in Shasta County has averaged over 14% during the past two years and peaked at 19.7% in January of this year. The project would provide much needed construction jobs and new permanent jobs associated with the operation of the reservoirs and the tourism generated by the project. This would give a timely boost to the sagging economy of Northern California.

· The Board of Supervisors is under continuing pressure to permit the development of the land in the proposed project area by dividing it into smaller parcels. If the land uses are to remain compatible with a project of this magnitude, it is imperative that studies leading to construction proceed as rapidly as possible so that the necessary rights of way can be purchased with the least disruption to private property owners.

The Cottonwood Creek Project has broad based support which includes those interests oriented to water development and those oriented to protecting the environment. The project enjoys a good benefit-cost ratio, and will provide benefits to the local area as well as to the State and the Nation. The project continues to be supported by the State administration and by the various counties of Northern California.

SHASTA DAM ENLARGEMENT INVESTIGATION

The requested appropriation for this study of $1,070,000 would permit the continuation of the investigation authorized under PL 96-375. The primary objective of the study is to determine the feasibility of enlarging Shasta Lake as a means of increasing water supplies for the Central Valley Project and the State Water Project.

The administration of the State of California continues to strongly support this investigation. Furthermore, the State is cooperating in this study on an equal financial basis with the Federal government.

Because of the potential for local flood control, erosion control, water supply, power production, recreation, and fisheries enhancement benefit, the Shasta County Board of Supervisors has supported this study since its initial consideration in April of 1979.

SACRAMENTO RIVER AND TRIBUTARIES BANK PROTECTION AND EROSION CONTROL INVESTIGATION

The requested appropriation of $297,000 for this study would permit a continuation of this investigation into the alternative methods available for erosion control along the Sacramento River. It is essential that this work be brought to an early conclusion so that authorization for environmentally sensitive erosion control projects can proceed.

This winter in Northern California, it has been unusually wet and has resulted in high flood flows in the Sacramento River and its tributaries. This has correspondingly resulted in severe erosion problems which threaten millions of dollars worth of property in the county and, in some cases, the lives of our citizens. These problems must be corrected in the very near future or the public and personal losses will be catastrophic. Completion of this erosion control study will be a positive step in that direction.

In closing, it is respectfully requested that the funding levels presented in the President's budget for these three projects be appropriated.

We appreciate the opportunity to provide these comments and to appear before your committee.

SACRAMENTO RIVER AND TRIBUTARIES, BANK PROTECTION AND EROSION CONTROL STUDY

STATEMENT OF DAN WELDON, EXECUTIVE DIRECTOR, SACRAMENTO VALLEY LANDOWNERS ASSOCIATION

Mr. FRANKLIN. Senator, our next speaker is Dan Weldon.

Mr. WELDON. Senator, I have with me today a member of our organization, Larry Smith from Red Bluff. We have submitted for the record, in addition to our testimony, a copy of a newspaper article entitled "Old Man River Steals the State of the Farmland." It shows the kind of erosion that we hope this will begin to support We seek money from you. The other project we are supporting is the Sacramento project. We have the full statement of support for our project here and for the first time in 4 or 5 years we are anxious to get going on the project. Thank you very much.

[The statement follows:]

STATEMENT OF DANIEL M. WELDON, EXECUTIVE DIRECTOR, SACRAMENTO VALLEY LANDOWNERS ASSOCIATION

The Sacramento Valley Landowners Association is an organization composed of property owners along the Sacramento River, many of whom are experiencing worse damage from sustained high water than at any time in memory. I am here today to ask your support for two projects that are vitally needed. The Chico Landing to Red Bluff erosion control project has been delayed for several years because the State of California has withheld support, pending completion of the Sacramento River and tributaries' bank protection and erosion control investigation. This year the State of California has become completely supportive, mostly because the banks of the Sacramento River have deteriorated to a degree that the most critical erosion sites can be neglected no longer.

My organization, along with both the State reclamation board and water commission, are requesting $1 million be appropriated for the Chico Landing to Red Bluff project. The status of the Chico Landing to Red Bluff project for the fiscal year ending September 30, 1982, was contained in H.R. 4144, the Energy and Water Development appropriation bill, 1982, as follows:

"Sacramento River, Chico Landing to Red Bluff, Calif.—Last year Congress appropriated funds for the Sacramento River, Chico Landing to Red Bluff, Calif., project. The committee continues to support the project and directs the Corps of Engineers to utilize previously appropriated funds and proceeds with the project as soon as possible."

Now that we have received full support from the State of California for this project, we ask that Congress continue to support Chico Landing to Red Bluff as it has since the project was originally authorized in 1963.

I would like to emphasize that the $1 million requested is enough funding to only begin construction of bank protection on three or four sites. The South Pacific division of the Corps of Engineers indicates it is capable of carrying forward with this level of construction in 1982-83. To effectively stabilize erosion conditions along the Sacramento River, much greater levels of funding must be forthcoming in future years.

SACRAMENTO RIVER BANK PROTECTION

The other project the Sacramento Valley Landowners Association requests that you support is the Sacramento River bank protection project. We are seeking your approval of $1 million for this effort. Of this amount, $700,000 is required to complete units 35 and 36 of this project. Upon completion of units 35 and 36, work on this project will be halted until Federal authorization is completed to mitigate allegedly adverse effects on fish and wildlife resources that occurred as part of removal of riparian habitat during phase I of this project. Congressman Fazio has introduced this legislation, and my organization supports its quick enactment so that work on the Sacramento River bank protection project may be allowed to move forward without further delay.

The State of California and my association requests $300,000 of the $1 million total budget for Sacramento River bank protection, be used for gearing up and engineering in anticipation of new levee construction in this area of the river (Knights Landing to Steamboat Slough) where seepage is such a devastating problem for our landowners. Because this mitigation issue has delayed the continuation of the Sacramento River bank protection unnecessarily, the Sacramento Valley Landowners Association hopes Congress agrees with us that our project must move forward without delay.

[From the Sacramento Bee, Tuesday, Feb. 16, 1982]

OLD MAN RIVER STEALS ITS WAY THROUGH FARMLANDS

(By T. J. Burnham, Bee staff writer)

CORNING, Tehama County—The Sacramento River is stealing Larry Smith's farm. Stealing the $10,000-an-acre land, the mature walnut trees, even the irrigation pipe. Washing them away while the orchardist watches helplessly from atop a crumbling cliff.

"It's a helpless feeling to watch your trees fall in as you stand here," he sighs. "It gives me a sense of loss that's hard to describe."

It also makes Smith frustrated with what he calls "river politics." If the Corps of Engineers and California Reclamation Board had done its job and rocked the shores properly, he claims, this would never have happened.

California Department of Water Resources Floodway Protection Branch chief Don Meixner, Sacramento, said the work was halted in that area in 1979 as a result of "public concern with use of government funds for protection of private land-holdings."

The halt of state-federal work in the region, known as the Chico Landing to Red Bluff project, stemmed also from a 1978 California Water Commission committee recommendation urging no further activity until the main reason for the work—reduction of downstream dredging—could be reevaluated.

That study, under way by the Corps of Engineers, is expected to conclude some time in 1983. Funds for new work have been withheld pending completion of the study, said Meixner.

The California Department of Water Resources also wants to defer decisions on additional work until completion of a National Environmental Policy Act "environmental documentation."

At issue is suspension of work authorized under the 1958 federal Flood Control Project Act. The authority provides for bank protection and channel improvements between Chico Landing and Red Bluff, in order to stabilize the main river channel and alleviate bank erosion problems. But the main emphasis of the project was to reduce downstream maintenance dredging, Meixner explained.

But Smith and his neighbors want action now, charging that those who want to preserve the natural state of the river overlook the fact that the Sacramento River has become little more than a conveyance system moving water to users in southern counties. They view the Sacramento as a public pipeline that should be maintained, just as are other canals in the state serving that purpose.

When Smith purchased the 350-acre ranch seven years ago, the Army, cooperating with state approval, was still "rocking" the riverbanks. By 1979, the $6.8 million project had reinforced 68,000 lineal feet of the Red Bluff to Chico stretch.

Left alone, rivers tend to change their courses and cut new channels when highwater busts through old banks. The wild water can then begin eating away at the unchecked soil with a voracious capacity.

That's what happened at the Smith orchard, recalled the producer. "I've lost 20 acres of land purchased for $3,500 an acre," he said. "And, it's getting worse. I've watched 25 trees go in the last three weeks. No year has been this bad."

Pointing to a gravel island isolated between the main flow of the Sacramento River and the wide new channel that cuts into his orchard, Smith said that isle was once the edge of his land. "It wasn't planted to orchard that far out," he noted. "We had a nice sloping bank with lots of wild vegetation between the river and the edge of the orchard a quarter of a mile away. Now, the river has killed the vegetation and crept up to the trees, leaving a 15-foot dropoff that erodes away as you watch."

He has deeded the island to the state, since it is useless and inaccessible to him unless he uses a boat.

"We'll lose more land this year," he is sure. "Whenever it rains, they store the water up at Shasta DAm, then release it in heavy flows that cause this problem. Before the dam, rainwater would wash down 2 to 3 days, and the vegetation would hold. Now, these high water flows last weeks. The vegetation doesn't stand a chance, and once it goes, so does the bank."

The problem wasn't as bad before the rocking was discontinued, he said. But unless the practice is resumed, he expects to lose about 10 acres of prime number-one soil a year, along with a lot of producing trees. "It's a problem that won't just go away," said Smith.

Despite continued land loss along the river, the rate of erosion actually has declined since Shasta Dam was placed in 1946, according to a Congressional report. The study shows that losses in the Red Bluff to Chico area were reduced by 20 acres a year, to a total of 36 acres, after the dam.

Concerned about what to do, Smith joined the Sacramento Valley Landowners Association to voice his concern. The group of riverfront growers are attempting to revive the rocking of the Sacramento.

SVLA president John Repanich, Corning, said more than a dozen association members are losing land to the Sacramento annually. "It's difficult to estimate the extent of the yearly loss," he added, "but some owners tell us they're losing 10 to 20 acres a year."

That land, he estimates, is valued at from $400 to $12,000 an acre, depending on whether it is planted to mature orchards, or covered with riparian vegetation. "We ask tax assessors to come out and look at the land whenever some of it disappears," he said, "but that's difficult to do when the situation changes every year."

Part of the problem, said Repanich, is a reduction in the amount of sediment coming into the region since the Shasta Dam was built in 1946. "Less sediment means less material in which the vegetation grows," he said. "Less vegetation means less control of the erosion along the banks."

Board of Reclamation spokesman Meixner argues that a lack of data collected on sediment before the dam was built makes it difficult to prove whether less is moving down river today.

The landowners also point out that while rocking would save their land, it would also reduce the amount of silt building up in bypasses and navigable waterways downstream.

Meixner said that silt deposits have not been greater in recent years, and that the board expects normal buildups after heavy flooding and rainfall.

Countering critics who claim rocking destroys river aesthetics, SVLA notes that areas rocked many years ago along parkland regions are now so overgrown with wild vegetation that the rocks are masked, giving the area a natural appearance.

Some landowners have decided to rock their own banks, placing broken concrete along the shorelines. The practice is not discouraged by the state if those doing it first receive a permit from the board.

"Some are going ahead and putting in all kinds of materials without getting the permits first," said Meixner. "That could mean that they'll just have to pull it all back out and do it right later on."

Permitted shore work includes proper sloping of the land and use of foundation and backfill materials to prevent foundation failures. Costs of private bank work are estimated at $100 per lineal foot.

That, according to producer Smith, is more money than he can afford to spend to stop the river that is eating his livelihood.

ORLAND-ARTOIS WATER DISTRICT DISTRIBUTION SYSTEM

STATEMENT OF FRANK ENOS, SECRETARY-MANAGER, ORLAND-ARTOIS WATER DISTRICT

Mr. FRANKLIN. Our next speaker was supposed to be Floyd Marsh, a member of the Colusa County Board. However, he is meeting with Secretary Watt regarding those loans I have told you about and, hopefully, we might see some breakthrough in this dam. We hope the Secretary will send him up to the Committee.

Mr. Chairman, Frank Enos will be the next witness.

Mr. ENOS. Thank you, Mr. Chairman, I am Frank Enos, secretary-manager of Orland-Artois Water District. I am here today to support the continued appropriations for the flooding of our distribution system, and I know this committee has been good to us in the past, and we hope we can continue the completion of our project.

Thank you, sir.

[The statement follows:]

STATEMENT OF FRANK ENOS, JR., SECRETARY-MANAGER, ORLAND-ARTOIS (CALIF.) WATER DISTRICT

My name is Frank Enos, Jr., I am the Secretary-Manager of the Orland-Artois Water District. The District is located in the service area of the Tehama-Colusa Canal, Sacramento River Division of the Central Valley Project of California.

SUMMARY

Since completion of the Tehama-Colusa Canal through the service area of the Orland-Artois Water District, our landowners await the use of this supplementary source of water for use on their various crops and orchards. The landowners in our District urge your committee to approve the appropriation amount of $2,274,000.00 for continued construction of the Orland-Artois Water District distribution system and distribution systems in the Tehama-Colusa service area with related facilities. This amount is supported by the California Water Commission and is for the completion of our distribution system works. The amount is also currently in the President's 1982-1983 budget and within the Bureau of Reclamations' construction and inspection capability.

The history on the development of the Orland-Artois Water District is one of construction delays, associated rising costs and vexing administrative policy changes that have caused the project to become long overdue. During the same period these unnecessary delays have occurred, the need for additional supplementary irrigation water within the District has taken place. Demand for irrigation water has increased as evidenced by the District's growth from the time of formation (17,325 acres) to the present 30,302 acres. Landowners clearly recognize the importance of the project not only to irrigate crops and orchards, but to further enhance the economic stability of our area as well. On February 26, 1976, the District signed a water service--distribution system contract with the Bureau of Reclamation. Thus, a tremendous need has been established and a willingness to repay our share of the Federal investment in the Orland-Artois project has been responsibily undertaken.

Construction of the first phase of the Orland-Artois project is complete. Construction of Units 2 and 3 are currently underway. The urgent need for completion of construction of the distribution system cannot be overemphasized. Ever increasing inflationary trends continue to diminish the amount of real dollars available for our project. Any further delays at this point in our construction program seriously threaten the financial feasibility of the project. Not only do the landowners in the District suffer from these delays but the orderly repayment of the Federal investment in the Tehama-Colusa Canal project is threatened as well.

The increasingly important roie the Sacramento Valley of California plays in the production of food and fiber for the U. S. and developing nations is significant. The assurance that available supplemental water supplies are introduced to the service area of the Tehama-Colusa Canal (ie Orland-Artois Water District) is of extreme importance to the economic stability of the area.

The recent drought in California (1976-1977) demonstrated how vulnerable we are in the state without additional water resource development. That drought experience places even greater emphasis on the need for completion of distribution systems throughout the Tehama-Colusa service area. Making additional supplemental water available would give reasonable assurrance that groundwater levels can be maintained and that groundwater basin overdraft conditions do not occur during heavy pumping as is associated with dry water years. Imported surface water supplies from the Central Valley Project, intergrated with existing groundwater through proper management, is the most single important alternative to keeping agriculture in our area economically sound.

Accordingly, we urge your committees' full support of the 1982-1983 appropriation to complete this important project.

NEW MELONES DAM, CALIF.

STATEMENT OF GEORGE BARBER, SUPERVISOR, SAN JOAQUIN COUNTY, CALIF.

Mr. FRANKLIN. Senator, our next speaker is George Barber, a member of the board of supervisors of San Joaquin County.

Mr. BARBER. I am accompanied by Mr. Sherwin, and we are here to support the Corps of Engineers on the following projects: Auburn Dam, Folsom South Canal, New Melone, and Shasta.

I have been before this committee in the past and it is a pleasure to be here again. I look forward to working with you in the future on these projects and I recognize the capacilities we have here.

Senator JOHNSTON. Thank you, Mr. Barber.

[The statement follows:]

STATEMENT OF GEORGE L. BARBER, MEMBER, SAN JOAQUIN COUNTY (CALIF.) BOARD OF SUPERVISORS

My name is George L. Barber. I am a member of the Board of Supervisors of the County of San Joaquin, California. A resolution of the Board authorizing this presentation is attached.

In summary, the County of San Joaquin requests that the following appropriations be made to the Corps of Engineers and the Bureau of Reclamation for the fiscal year between October 1, 1982, and September 30, 1983, for projects of concern to the County:

Corps of Engineers - Construction	
New Melones Project	$5,500,000
Stockton Ship Channel	4,000,000
Corps of Engineers - Surveys	
San Joaquin River Basin	$ 994,000
Bureau of Reclamation - Construction	
Auburn Dam	$1,597,000
Folsom South Canal	250,000
Bureau of Reclamation - Investigations	
Delta Support Studies	$1,352,000
New Melones Studies	400,000
Shasta Enlargement	1,070,000

DETAILED COMMENTS

Corps of Engineers - Construction

New Melones Project..........................$5,500,000

The New Melones Dam, Reservoir and Powerplant are complete for operational purposes. In calendar year 1981, the Project provided some flood control, power and fishery benefits although restrictions on its operation have reduced some such benefits substantially. In the current 1981-82 winter, the Project already has prevented damage through control of heavy rainstorms and can begin its authorized power functions so as to reduce dependence on foreign oil imports and to augment area generating reserves.

There is need to continue reservoir and downstream recreation and public access development and to move forward on reservoir clearing. The requested appropriation, which is in the President's budget, will permit these essential features to progress.

Stockton Ship Channel........................$4,000,000

The entire San Francisco Bay-Stockton Channel Project has been long delayed. As a result, an increasing percentage of deep-draft ocean vessels are unable to reach Upper Bay and Stockton ports, or must load lightly which increases shipping costs greatly and reduces efficiency of the ports.

All pre-construction work and agreements are now completed and the Board of Supervisors urges that construction of the Channel proceed as rapidly as possible. The requested amount is in the President's budget.

Corps of Engineers - Surveys

San Joaquin River Basin	$ 994,000

San Joaquin County is particularly interested in the portions of this survey which deal with the Littlejohn Stream Group and Cosumnes River. The requested amount is in the President's budget. Littlejohn Creek and related streams repeatedly are sources of flood damage in the southeastern County and our Board looks forward keenly to the development of plans for improving conditions in this area.

A multi-County Joint Power Agency has begun a comprehensive water-power-flood control-recreation study of Cosumnes River and need badly the views of the Corps on flood control measures so they can be reflected in the study.

Bureau of Reclamation - Construction

Auburn Dam	$1,597,000

The amount we are requesting is in the President's budget. A primary decision regarding the type of seismically-safe dam has been agreed upon in the Interior Department. September, 1980, reports by the Bureau of Reclamation indicate the authorized project is economically justified. Review of these 1980 studies with scope expanded is now under way and, in draft form, are scheduled for completion early in fiscal year 1982-83. Processing these studies will continue during the fiscal year so final design and preparation of specifications for this much-needed project can be resumed and the project construction be completed as soon as possible.

Folsom South Canal	$ 250,000

The most important of the Auburn-related programs is Folsom South Canal. This Canal now ends in Sacramento County about 10 miles north of the San Joaquin County line. The completed portion was designed to deliver over 400,000 acre-feet of water to eastern San Joaquin County. This area is almost wholly developed to pasture, vineyard, row and orchard crops and is suffering critical groundwater overdrafts.

With Auburn Dam being economically justified as indicated in the Bureau's 1980 report, and with final studies now under way on the Lower River problem, parallel progress should be made on the Canal. Negotiations looking towards allocation of water to parts of the service area can resume, the Environmental Impact Statement can be completed, and a start can be made on right-of-way surveys and other preliminaries to extention of the Canal to its originally-intended terminus at Lone Tree Creek in San Joaquin County.

The requested funds should be available so progress on the Canal can be resumed.

Bureau of Reclamation - Investigations

Delta Support Studies........................$1,352,000

A wide variety of analyses and studies are required in the Sacramento-San Joaquin Delta in connection with existing and potential problems. Many of these programs involve cooperation with the State of California since both the State Water Project and the Federal Central Valley Project use the Delta as a means of conveying water across the Delta to their export pumping plants.

The State expends large sums in studying the effects of cross-Delta flows on water quality in the Delta and on export waters and in studying the effects of Project operations on fishery resources. The Bureau should have comparable funds with which to discharge its responsibilities toward the Delta.

New Melones Studies..........................$ 400,000

Water currently has been stored in New Melones Reservoir in accordance with a recent District Court decision; a decision of the Ninth Circuit Court on appeal of that District Court decision is expected at any time. It is essential that the Bureau of Reclamation be in position to enter into contracts for water service when adequate supplies have been stored. There are critical needs for supplemental water in the immediate Stanislaus River area to overcome groundwater overdrafts and to improve water quality. These needs and adequate storage to meet them can coincide by the time the essential studies of diversion and conveyance locations, contracting conditions and payment capabilities are completed in the 1982-83 or following fiscal year. Such contracts will aid materially in securing repayment of the reimbursable Federal investment and their negotiation should be expedited.

Shasta Enlargement Study.....................$1,070,000

These essential study funds are in the President's budget and will enable the Bureau to fund its part of the joint Federal-State investigation in fiscal year 1982-83. The study itself will require several years but, looking ahead, is vitally necessary to meet California's growing water demands. We believe such long-term planning is essential if the needs of the decades beginning in about 1990 are to be satisfied.

BEFORE THE BOARD OF SUPERVISORS OF THE SAN JOAQUIN COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, STATE OF CALIFORNIA

R-82-529

RESOLUTION APPROVING STATEMENTS TO BE SUBMITTED TO SUBCOMMITTEES ON ENERGY AND WATER DEVELOPMENT OF HOUSE OF REPRESENTATIVES AND SENATE APPROPRIATIONS COMMITTEES

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WHEREAS, the Subcommittee on Energy and Water Development of the Committee on Appropriations of the United States House of Representatives and the Subcommittee on Energy and Water Development of the Committee on Appropriations of the United States Senate will each separately hold hearings on March 25, 1982, on the budgets of the U. S. Army Corps of Engineers and the Bureau of Reclamation; and

WHEREAS, numerous projects contained in those budgets are of benefit to San Joaquin County;

NOW, THEREFORE, BE IT RESOLVED that Supervisor George Barber and Supervisor Evelyn Costa are hereby authorized and directed to appear before the aforementioned congressional subcommittees in Washington, D. C. in support of the appropriations for pending flood control, navigation, and water supply projects which will be of benefit to San Joaquin County and to present the attached statements.

PASSED AND ADOPTED this 16th day of March, 1982, by the following vote of the Board of Supervisors, to wit:

AYES: Supervisors Barber, Wilhoit, Alva, Costa, Yoshikawa

NOES: None

ABSENT: None

Richard S. Yoshikawa
RICHARD S. YOSHIKAWA, Chairman
Board of Supervisors
San Joaquin County Flood Control
and Water Conservation District
State of California

ATTEST: JORETTA J. HAYDE
Clerk of the Board of Supervisors
of the San Joaquin County Flood
Control and Water Conservation
District, State of California

By Cindy DuBrutz
Deputy Clerk

ENDORSED
FILED March 16, 1982
JORETTA J. HAYDE, Clerk

By Cindy DuBrutz
Deputy

AUBURN DAM AND SACRAMENTO-SAN JOAQUIN DELTA STUDY

STATEMENT OF ARNOLD RUE, MAYOR, STOCKTON, CALIF.

Mr. FRANKLIN. Mr. Chairman, next is Mr. Arnold Rue, mayor of the city of Stockton.

Mr. RUE. I am Arnold Rue, and I am accompanied by Ralph White. We filed our report with the committee, it has been accepted, and we thank you for allowing us to appear here today.

Senator JOHNSTON. Thank you, nice to have you here.

[The statement follows:]

Statement of Arnold Rue, Mayor, Stockton, Calif.

I am Mayor Arnold Rue of the City of Stockton, California authorized by the Stockton City Council to make this statement before your honorable body today.

The City of Stockton supports the Corps of Engineers and Bureau of Reclamation surveys, flood control and reclamation projects in the following amounts:

1.	New Melones Lake	$5,500,000
2.	Deepening of the Stockton Ship Channel to 35 feet and realigning part of the Channel	$4,000,000
3.	San Joaquin River Basin Survey	$ 994,000
4.	The Auburn Dam and Reservoir	$1,597,000
5.	Folsom South Canal	$ 250,000
6.	Delta Support Studies	$1,125,000

FLOOD CONTROL -- CORPS OF ENGINEERS

NEW MELONES LAKE------------------------------------$5,500,000

The President's budget contains and the California Water Commission recommends $5,500,000 which is the amount we support. This money is for cultural preservation in the reservoir and acquisition of riparian habitat downstream of the dam. As these features will complement the project, this capability is supported. New Melones is a project which augments the supply of water within Central California and we urge that the project be utilized to its maximum potential, both for its flood control benefits and for the additional water supply which it will create.

SAN FRANCISCO BAY TO STOCKTON SHIP CHANNEL DEEPENING---------------------------------------$4,000,000

The City supports the President's budget of $4,000,000 for the San Francisco Bay to Stockton Ship Channel Deepening. The present Channel depth of 30 feet combined with the increasing size and draft of oceangoing vessels prevents maximum usage of this vital port facility which is not only used by merchant vessels but also by the U. S. Navy. Now vessels cannot carry full loads when sailing on the Channel, but they will be able to when the Channel is deepened to 35 feet. That improvement will make Port usage more cost effective for the shippers. The Port of Stockton is one of the large employers in San Joaquin County affecting directly or indirectly approximately 4,000 to 5,000 jobs with a payroll of $50 million. Unless proposed improvements to the Stockton Ship Channel are made, the Port of Stockton will fall behind in being a leading employer thus increasing the persistent unemployment for Stockton. Project construction has begun and should proceed as soon as possible.

SURVEYS -- CORPS OF ENGINEERS

The City of Stockton urges appropriations for the San Joaquin River Basin in the amount of $994,000 as contained in the President's budget.

BUREAU OF RECLAMATION

AUBURN DAM AND RESERVOIR----------------------------$1,597,000

The City Council supports the President's budget amount and the California Water Commission's recommendation of $1,597,000 for the Auburn Dam and Reservoir. The Council also urges Congress to do the following:

1. To maintain support of a reauthorized Auburn Dam.
2. To recommend the earliest possible completion of any economic and environmental studies needed to support such reauthorization in the current session of the Congress.
3. To recommend appropriation of sufficient funds for fiscal year 1982-83 to complete studies on and final designs of Auburn Dam and to participate in Division of Dam Safety review thereof.

FOLSOM SOUTH CANAL----------------------------------$250,000

The Council supports an appropriation of $250,000 for Folsom South Canal. These funds are needed to complete the Canal EIS, to participate in Memorandum of Understanding negotiations, to process pending litigation to a conclusion, to carry on studies required for contract negotiation with local districts and to take initial steps toward land acquisition and negotiation of water contracts. The City of Stockton is in a critically overdrafted groundwater basin. The water agencies in the basin are taking steps now to develop alternative groundwater management plans looking toward correcting the overdraft when supplemental water is available. The American River water, under the Memorandum of Understanding allocations between the Canal and the Lower River, offers a practical and energy-efficient source of water and should be developed to provide supplemental water to this area at the earliest possible time.

DELTA SUPPORT STUDIES------------------------------$1,125,000

The City Council supports the Water Commission's recommendation for this level of studies by the Bureau of Reclamation for Delta studies.

RESOLUTION NO. 38,933, STOCKTON CITY COUNCIL

WHEREAS, on March 25, 1982, appropriate committees of the Congress of the United States will conduct hearings to consider Federal Appropriations for flood control, reclamation, and navigational projects and surveys for fiscal year 1982-83, and

WHEREAS, several projects and surveys to be considered at said Congressional hearings will be of benefit to the City of Stockton and its environs, and

WHEREAS, the expeditious construction of said projects and completion of said surveys is required to protect the health, welfare and safety of the residents of this area; now therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

That the City of Stockton does hereby support the appropriations by the Congress of the United States of funds for fiscal year 1982-83 for the planning, continuation and completion of flood control, reclamation, and navigational projects and surveys; namely, NEW MELONES LAKE, SAN FRANCISCO BAY TO STOCKTON SHIP CHANNEL DEEPENING, SAN JOAQUIN RIVER BASIN SURVEY, THE AUBURN DAM-FOLSOM SOUTH CANAL AND DELTA SUPPORT STUDIES, which affect the City of Stockton and its environs; be it

FURTHER RESOLVED, that the representatives of the City of Stockton be and hereby are authorized to appear before appropriate committees of the Congress of the United States on March 25, 1982, for the purpose of making presentations consistent with this resolution; be it

FURTHER RESOLVED, that the City Clerk of the City of Stockton is hereby authorized and directed to send copies of this resolution to the Honorable Alan Cranston, the Honorable S. I. Hayakawa and the Honorable Norman Shumway.

PASSED, APPROVED and ADOPTED this 15th day of March, 1982.

/s/ ARNOLD I. RUE

ARNOLD I. RUE, Mayor
of the City of Stockton

STATEMENT OF PERRY TAFT, CHAIRMAN, STOCKTON-EAST WATER DISTRICT

SUMMARY

The Stockton-East Water District recommends the following appropriations for Federal Water Projects for Fiscal Year 1982-83:

PROJECT DESCRIPTION	RECOMMENDED ALLOCATION
Auburn Dam and Reservoir	$1,597,000
Folsom South Canal	$ 250,000
New Melones Lake	$5,500,000
New Melones Studies	$ 400,000

The Stockton-East Water District is located in Eastern San Joaquin County, California, and extends from the Sierra Nevada on the east, to the edge of the Sacramento-San Joaquin Delta on the west.

The District encompasses 114,500 acres, of which about 75,000 acres is irrigated farmland. The total population of the District is nearly 200,000 or approximately 58 percent of the population of San Joaquin County, including the City of Stockton. The population of the District is expected to reach 320,000 by the year 2020.

The District provides surface water both for agricultural and municipal uses. In addition to the supply of water for agriculture, the District operates a water treatment plant, which was commissioned in March, 1977, for the wholesale supply of treated water to the City of Stockton, the County of San Joaquin, and the California Water Service Company; which together, including their own sources of groundwater, supply the City of Stockton and surrounding areas. The purpose of the treatment plant is to reduce the overdraft on the groundwater by supplying good quality treated surface water to areas previously served by the groundwater basin. This plant is being paid for by local revenue bonds.

Presently, the District's source of surface water is from New Hogan Dam on the Calaveras River which source is now fully developed. Under contractual arrangements between Stockton-East Water District, Calaveras County Water District, and the United States Bureau of Reclamation, almost the entire yield of New Hogan Dam is presently utilized by Stockton-East Water District. However, 43.5 percent of that yield is reserved for Calaveras County Water District when use can be made of the water by that District.

The District's present water needs are being partially satisfied by overdrafting the groundwater supply by an average of about 59,000 acre-feet annually[1/] above the safe groundwater yield. The State of California Department of Water Resources has designated Eastern San Joaquin County as an area of critical overdraft.

Stockton-East Water District, in its Water Action Program[1/], has determined the need for supplemental surface water for the year 2020 to be 126,000 acre-feet annually; this is expected to increase to 145,000 acre-feet annually by the year 2030.

In short, the Stockton-East Water District's source of surface supply will eventually be reduced by about 43 percent while the District's present surface supply is insufficient to curtail the continuing overdraft of groundwater, let alone recharge and restore the groundwater level.

Two Federal Flood Control and Reclamation Programs are of primary concern to the District; namely, New Melones Reservoir and the Auburn Dam and Folsom South Canal. The Stockton-East Water District supports the appropriations recommendations of the California Water Commission for these two projects.

The District also urges that sufficient funds be appropriated, within the guidelines of the new administration, to resolve the current dilemma preventing construction of the Auburn Dam and Folsom South Canal so that a permanent solution to Eastern San Joaquin County's water needs can be implemented in a timely manner.

In addition, it is imperative that New Melones Reservoir be filled to realize it's full multipurpose potential for hydroelectric power, irrigation and domestic benefits, flood protection, and alleviation of groundwater overdraft.

[1/] Bookman-Edmonston Engineering, Inc., Water Action Program, (September, 1978).

SHASTA DAM ENLARGEMENT

STATEMENT OF KENNETH BETTS, REPRESENTING EAST BAY MUNICIPAL UTILITY DISTRICT

Mr. FRANKLIN. Next is Ken Betts, representing the East Bay Municipal Utility District, which serves the cities of Oakland and others.

Mr. BETTS. Mr. Chairman, the East Bay Municipal Utility District supports the recommendations of the California Water Commission with regard to recommended appropriations for the Federal flood control and the reclamation programs in California for fiscal year 1983. We are here in support of Auburn Dam and Shasta Dam, all of which are crucial to the future water supply of the Municipal Utility District, and we are willing to endorse the representation of the water commission and the board of engineers.

Thank you very much.

[The statement follows:]

STATEMENT OF JEROME B. GILBERT, GENERAL MANAGER, EAST BAY (CALIF.) MUNICIPAL UTILITY DISTRICT

The East Bay Municipal Utility District supports the recommendations of the California Water Commission with regard to recommended appropriations for the Federal Flood Control and Reclamation Programs in California for Fiscal Year 1982-83. Specifically, the District urges appropriations for the following projects: reference California Water Commission Summary dated March 15, 1981.

No. 46	USBR Engineering and Economic Studies concerning Auburn Dam and Reservoir	$1,597,000
No. 48	USBR EIS and other preliminary work concerning the Folsom-South Canal	250,000
No. 81	USBR Shasta Dam Enlargement Study	1,070,000

The East Bay Municipal Utility District supplies water for municipal and industrial purposes to a 300 square mile area in Alameda and Contra Costa Counties, located on the eastern side of San Francisco Bay. This water is served to 1.1 million people who reside in that area.

The District has a two-fold interest in the completion of the Auburn - Folsom South Project: first as a contractor for project water and, second, as an indirect beneficiary in that part of the Folsom South service area which lies adjacent to the lower Mokelumne River. The latter interest relates to the substantial groundwater pumping in that area which results in increasing seepage losses from the Mokelumne River. Much of the seepage loss must be made up by releases of water stored by the East Bay Municipal Utility District for its own use, and, as the losses increase, the safe yield of the District's Mokelumne River Project is reduced proportionately. Since the Mokelumne River Project supplies more than 90 percent of the District's water, the project yield is of major concern.

For more than twenty years, the expected solution to this problem has been an imported surface supply from the Auburn - Folsom South Project. The agricultural interests along the lower Mokelumne River have also looked to this project to meet their long-term water requirements. Currently the District provides storage, on an interim basis, to these agricultural interests. Without the Auburn - Folsom South Project, their water requirements will eventually have to be met from groundwater. Since the groundwater basin is already classified as critical, increased pumping on that basin can only result in accelerated decline in the groundwater table. This consequence could prove disastrous to agriculture and the local communities.

The District is currently cooperating with San Joaquin County interests in the implementation of a groundwater study which will develop a model of the groundwater basin. The study will provide information as to the best use and the best place of use for the imported surface supply from the Folsom South Canal.

The District urges the Congress to support funding for the Auburn Dam in the amount of $1,597,000 to enable completion of ongoing work and initiation of final design and preparation of specifications for this much needed project. The Congress is further urged to support appropriation of $250,000 for the Folsom-South Canal to provide for completion of the Environmental Impact Statement and for right-of-way surveys plus other preliminary efforts toward completion of the canal.

Additionally, the District views the Shasta Dam Enlargement as being beneficial to the Central Valley Project of the Bureau of Reclamation. It will enhance the Bureau's ability to meet its existing contractual obligations as well as providing water for the Sacramento-San Joaquin Delta and other beneficial purposes. Therefore, the District urges the Congress to support funding in the amount of $1,070,000 for the Shasta Dam Enlargement Study.

NEW MELONES DAM, CALIF.

STATEMENT OF MARSHALL JONES, CONSULTING ENGINEER, STANESLAUS COUNTY, CALIF.

Mr. FRANKLIN. Mr. Chairman, our next speaker is Marshall Jones, who is a consulting engineer representing Stanislaus County.

Mr. JONES. On behalf of Stanislaus County, we are seeking funds for the Bureau of Reclamation to conduct studies on the service area that will be served by New Melones Dam. These studies are prerequisite to selling water which will repay the cost of these dams.

I have with me today Mr. William Ulm, county superintendent.

Also, the county is supporting funds for the Corps of Engineers to conduct certain recreation work around the reservoir below the dam. The county is also supporting the request for San Joaquin for Auburn Dam.

Thank you very much, Mr. Chairman.

Senator JOHNSTON. Thank you, Mr. Jones.

[The statement follows:]

STATEMENT OF MARSHALL JONES, WATER CONSULTANT FOR STANISLAUS COUNTY, CALIF.

The New Melones project on the Stanislaus River in California's Central Valley was completed in 1980 to provide flood control and to store surplus winter flows for irrigation, power generation, fishery enhancement, and water quality control. Repayment of the cost of the irrigation portion of the project's cost will come from sales of water to irrigation districts in the project service area. Essential for water sale contracts will be land classification surveys to determine cropping suitability and water requirements. Also needed are preliminary conveyance system layouts to evaluate the cost of delivering water to individual users. For fiscal year 1983, the Bureau of Reclamation needs $400,000 for this work. To assure repayment of the projects costs water sales must be made and the necessary surveys and studies should be completed soon.

SAN LUIS REY RIVER FLOOD CONTROL PROJECT

STATEMENT OF LAWRENCE BAGLEY, MAYOR, OCEANSIDE, CALIF.

Mr. FRANKLIN. Next is Lawrence Bagley, the mayor of the city of Oceanside.

Mr. BAGLEY. Thank you very much.

We have two projects under this particular portion of the budget; first is a survey of San Luis Rey Creek, which drops 3,000 feet to sea level as it comes through the community, frequently flooding the lower portion of the town. It was flooded in 1978 and again in 1980.

We would be grateful for funding to reopen the survey begun in 1972.

Now the other item was mentioned by Senator Hayakawa, to dredge the Santa Barbara, and if we do not, it will turn into a saltwater pond, closure of the world's largest seaport, and a total loss of $44 million. California has very few harbors. Santa Barbara is the only one within 120 miles. We have had the responsibility for dredging it; the Corps has had that as long as it has been involved. It is not in the President's budget this year and we urge, beg, and plead that it be included for the dredging for Santa Barbara Harbor. Without it, there is no harbor.

Senator JOHNSTON. Thank you very much, Mayor.

We don't have any problem with that dredging, do we?

Mr. FRANKLIN. No, not at all.

Senator JOHNSTON. No environmental problem?

Mr. FRANKLIN. Just the O. & M. funding question.

Senator JOHNSTON. There is a problem of drilling?

Mr. FRANKLIN. Yes; that is a little further offshore, which has had its own impact in the oil spills.

Senator JOHNSTON. Thank you.

[The statement follows:]

STATEMENT OF MAYOR LARRY M. BAGLEY, OCEANSIDE, CALIF.

I am Larry Bagley, mayor of the city of Oceanside, Calif. I am most appreciative of the opportunity to testify today on the need for Congress to provide funds in the 1983 budget for the continuation of the San Luis Rey River flood control project. The San Luis Rey River runs through Oceanside's residential and industrial center. Higher than normal rainfall in 1978 and 1980 caused over $5 million in property damage. A serious flood could cause over $200 million in damage.

In recognition of this hazard, Congress authorized the San Luis Rey River flood control project in 1970. The President's proposed budget includes $200,000 for completion of the preconstruction planning for this project. I urge your support of that appropriation.

Thank you for your consideration of this important project.

SANTA BARBARA COUNTY STREAMS STUDY

STATEMENT OF JAMES STUBCHAER, CHIEF ENGINEER, SANTA BARBARA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

Mr. FRANKLIN. Mr. Chairman, our next speaker is James Stubchaer, chief engineer of the Santa Barbara County Flood Control and Water Conservation District.

Mr. STUBCHAER. We have submitted a statement on the Santa Barbara survey. On behalf of the board of supervisors we have also compiled a statement supporting the continued dredging of the Santa Barbara Harbor.

Thank you very much.

[The statement follows:]

STATEMENT OF JAMES M. STUBCHAER, ENGINEER-MANAGER, SANTA BARBARA COUNTY (CALIF.) FLOOD CONTROL AND WATER CONSERVATION DISTRICT

Mission Creek is a steep coastal stream which flows from the Santa Ynez Mountains to the Pacific Ocean through the City of Santa Barbara, California. The runoff from high-intensity rains carries silt and rocks from the mountains into the developed areas below. The creek channel has inadequate capacity and periodic overflows result in the flooding of old established urban areas of the City.

Congress authorized the Corps of Engineers to prepare survey reports for flood control purposes on Santa Barbara Streams in 1962, but no work on the Mission Creek survey has been done since 1969. The floods of 1978 and 1980 inundated many houses and businesses and caused renewed demand by neighborhood groups for flood protection. The Santa Barbara City Council and the County Board of Supervisors have twice adopted resolutions supporting the reopening of the Mission Creek survey and requesting the appropriation of funds for the survey. Copies of these resolutions are attached.

The President's proposed budget for fiscal year 1982-83 includes $250,000 for the Santa Barbara Streams survey. We respectfully request that the Committee include this amount in the budget.

RESOLUTION NO. 82-032

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA CONCERNING THE REOPENING OF THE SURVEY OF MISSION CREEK FOR FLOOD CONTROL BY THE CORPS OF ENGINEERS

WHEREAS, Mission Creek is a stream which traverses areas of Santa Barbara which were developed during the last 120 years; and

WHEREAS, Mission Creek frequently overflows and floods homes and businesses in the lower westside of Santa Barbara; and

WHEREAS, in 1914 Mission Creek devastated a substantial portion of Santa Barbara extending from Oak Park to the ocean in a flood estimated to have a return period of 100 years; and

WHEREAS, the potential for an even more severe flood exists, which flood would cause great damage to extensive areas of Santa Barbara; and

WHEREAS, by the Flood Control Act of 1962, the Congress authorized a survey for flood control purposes of streams in southern Santa Barbara County, including Mission Creek, by the Corps of Engineers; and

WHEREAS, the Corps of Engineers studied flooding problems of Mission Creek, found that serious problems did exist and that remedial works were economically justified, and presented a recommended plan of improvements at a public meeting in Santa Barbara in 1969; and

WHEREAS, work on the Mission Creek study was discontinued by the Corps of Engineers because of negative public reaction at said public meeting without any formal action by local government agencies; and

WHEREAS, in the 1960's, the Corps of Engineers did not involve the public in the planning of flood control projects and did not present arrays of alternatives; and

WHEREAS, present Corps of Engineers policies require public participation and examination of all feasible alternatives in the study of flooding problems; and

WHEREAS, the need for flood control on Mission Creek still urgently exists; and

WHEREAS, the President's proposed budget for FY 1982-83 includes $250,000 for the restudy of the Mission Creek flooding problems;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Barbara that:

1. The City of Santa Barbara supports the reopening of the survey for flood control purposes by the Corps of Engineers of Mission Creek.
2. The City requests the Congress to approve the amount in the proposed budget for the Mission Creek study.

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA BARBARA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

IN THE MATTER OF THE REOPENING OF THE SURVEY OF MISSION CREEK FOR FLOOD CONTROL BY THE CORPS OF ENGINEERS	RESOLUTION NO.

WHEREAS, Mission Creek is a stream which traverses areas of Santa Barbara which were developed during the last 120 years;and

WHEREAS, Mission Creek frequently overflows and floods homes and businesses in the lower westside of Santa Barbara; and

WHEREAS, in 1914 Mission Creek devastated a substantial portion of Santa Barbara extending from Oak Park to the ocean in a flood estimated to have a return period of 100 years; and

WHEREAS, the potential for an even more severe flood exists, which flood would cause great damage to extensive areas of Santa Barbara; and

WHEREAS, by the Flood Control Act of 1962, the Congress authorized a survey for flood control purposes of streams in southern Santa Barbara County, including Mission Creek, by the Corps of Engineers; and

WHEREAS, the need for flood control on Mission Creek still urgently exists; and

WHEREAS, the President's proposed budget for F.Y. 1982-83 includes $250,000 for the restudy of the Mission Creek flooding problems;

NOW, THEREFORE, BE IT RESOLVED that:

1. The Santa Barbara County Flood Control and Water Conservation District supports the reopening of the survey for flood control purposes by the Corps of Engineers of Mission Creek.

2. The Santa Barbara County Flood Control and Water Conservation District requests the Congress to approve the amount in the proposed budget for the Mission Creek Study.

PASSED AND ADOPTED by the Board of Directors of the Santa Barbara County Flood Control and Water Conservation District, State of California, this 11 day of [illegible], 1982.

Chairman, Board of Directors

Los Angeles County Drainage Area and Hansen Dam StudieS

STATEMENT OF HOWARD HAILE, CHIEF ENGINEER, LOS ANGELES FLOOD CONTROL DISTRICT

Mr. Franklin. Senator, our next speaker is Mr. Howard Haile, chief engineer of the Los Angeles Flood Control District.

Mr. Haile. Thank you. I am here today to ask your support for the continuation of the Los Angeles flood control study. There is $100,000 in the President's budget and we are asking for another $100,000 for a total of $200,000, and were supported by our State Water Commission people. And also for the Hansen Dam project which has been alluded to by the two other witnesses here today, and the Hansen Dam project is a part of the larger Los Angeles tributary study.

I would like to emphasize the study, in the sense that it has been ongoing for almost 10 years, and we would not like to see it lose momentum.

In addition to that, we would urge your support of the Antelope study which, again, has the support of our California Water Commission in the amount of $100,000. This study would be for nonstructural work and would be most beneficial out there.

And lastly, we urge your support of the continuedallocation of funds for the Corps to be aided for the maintenance of the Los Angeles County dredging system which they are responsible for maintaining. We do know that there is a dropping backlog here, so we most urgently ask that you provide what is called for.

Thank you.

[The statement follows:]

STATEMENT OF HOWARD H. HAILE, CHIEF ENGINEER, LOS ANGELES COUNTY FLOOD CONTROL DISTRICT

Summary of recommendations by Los Angeles County Flood Control District concerning the President's Budget allocations to the U.S. Army Corps of Engineers:

1. Los Angeles County Drainage Area (LACDA) review - Support the California Water Commission recommended increase of $100,000 to a total of $200,000 and the President's budget allocation of $250,000 for the Hansen Dam Interim Study portion of the LACDA review.
2. Antelope Valley Study - Support the California Water Commission recommendation for addition of $100,000.
3. Operation and Maintenance - Support continued allocation of funds to the Corps to adequately maintain features of the Los Angeles County flood control system for which it is responsible.

Mr. Chairman and Gentlemen:

During the past year Southern California has been free of any disastrous flood events. Rainfall totals approached normal with moderate intensities and damage in relatively limited situations. Our good fortune is not to be confused with Northern California where they have had serious flooding problems this winter. In Southern California, our last floods occurred in 1978 and 1980.

Potentially, we could experience another serious flood, especially in the areas where the hills and mountain sides have burned. For instance, the Oat Fire in the Chatsworth area of the San Fernando Valley in October/November 1981 destroyed approximately 18,000 acres of valuable watershed. The fear of the classic fire-flood sequence caused us to concentrate our fall efforts on the protection of life and property directly below this burned watershed. We expended over $550,000 in District funds to provide emergency protection. A cooperative effort for channel cleaning utilizing crews from the Los Angeles County Probation Department and the California Conservation Corps allowed the extension of the protective efforts normally accomplished by the District.

We believe efforts must continue to insure residents of Los Angeles County the best practicable protection, whether it be by means of flood control structures or by means of flood plain management. We have recommended your Committee support the California Water Commission recommendations for Los Angeles County. The proposed allocations will provide for the continuation of a major planning study previously supported by your Committee.

This study is known as the LACDA review. This is a review of the adequacy of the existing flood control system protecting metropolitan Los Angeles. Portions of this system are based on design criteria developed in the 1930's and are known to be inadequate in the light of the tremendous growth of our County since that time. It is imperative that weaknesses be identified in detail and corrected so that residents and businesses may be protected from the threat of flood disaster. Of particular concern are the Tujunga Wash and Arroyo Seco systems. Partially as a result of the 1978 and 1980 floods, Hansen Dam, the Corps' primary flood control element on Tujunga Wash, has filled with sediment to the point where we are highly concerned about the ability of the system to handle a design flood.

The District has an extensive system of flood control facilities downstream of Hansen Dam. Debris accumulation behind Hansen Dam is encroaching upon the dam operating capacity and is reducing operational flexibility. Silt-laden flows have seriously impaired the groundwater recharge capabilities of downstream spreading grounds and adversely affect the water-carrying capability of the downstream low-flow channels. This causes excessive expenditures for the performance of normal maintenance, the cost of which the District and its taxpayers must bear.

The Hansen Dam situation identified above is representative of the general problem of ongoing maintenance of an aging flood control system. The cost of removing 40 years of accumulated rock and mud could be as much as $200 million. We are very much aware of the importance of maintenance and have expended considerable effort on our own drainage system to keep it in operable condition. We urge that you provide adequate support to the Corps to avoid deterioration and expensive future corrective measures.

On the Arroyo Seco, Devil's Gate Dam and the Arroyo Seco Channel are both old and deficient by modern standards. The review of this and all of the elements of the LACDA system to clearly establish current capability and identify the need and cost of necessary remedial work is urgently needed.

In the Antelope Valley, we feel that the current and projected space shuttle operations at Edwards Air Force Base, the Administration's decision to produce the B-1 bomber in the Antelope Valley and the future Palmdale Intercontinental Airport, will all foster rapid industrial and residential growth. The need for early completion of the Corps' study to identify flood hazards and recommend appropriate flood prevention measures is urgent to public safety.

The Corps has identified maintenance deficiencies in the portions of the LACDA system operated and maintained by the Los Angeles District. We urge continued allocation of funds to support this necessary and ongoing effort.

On behalf of the citizens of Los Angeles County, I would like to express appreciation for the continuing support of this Committee. We are most appreciative of the Federal involvement in the construction and operation of flood control facilities in Los Angeles County.

RED BANK AND FANCHER CREEKS, CALIF.

STATEMENT OF DOUGLAS HARRISON, MANAGER, FRESNO METROPOLITAN FLOOD CONTROL DISTRICT

Mr. FRANKLIN. Mr. Chairman, our next speaker is Doug Harrison, the manager of Fresno Metropolitan Flood Control District.

Mr. HARRISON. Good afternoon. We have been authorized to speak on behalf of the County of Fresno. Our local sponsor is the Redbank and Fancher Creeks flood control project, and also is support of appropriations that are proposed in the budget, we would thank the committee for its continuing help and support in this project.

[The statement follows:]

Statement of Doug Harrison, General Manager-Secretary, Fresno (Calif.) Metropolitan Flood Control District

My name is Doug Harrison and I serve as the General Manager-Secretary of the Fresno Metropolitan Flood Control District of Fresno County, California, the local sponsor for the Redbank-Fancher Creeks Flood Control Project. I am also authorized to speak on behalf of the County of Fresno, the Cities of Fresno and Clovis, and the Fresno Irrigation District.

We respectfully request that continued construction design be included in the budget for the 1982-83 fiscal period in an amount equaling the expressed Corps capability, but not less than the $410,000 amount currently provided in the President's proposed budget.

The Redbank-Fancher Creeks project was initially identified in the Big Dry Creek project investigation authorized by the Congress in 1940. In 1956, the Congress specifically authorized the project investigation of the Redbank-Fancher Creeks stream system. Unfortunately, federal funds for the investigation were not appropriated until Fresno County was declared a part of the 1969 California disaster area. Since that time, however, the Congress has made funds available to meet the Corps' project needs. The investigation is now complete and identifies the need for the project, proving it to be both economically justified and environmentally sound.

Noteworthy, is the fact that the Redbank-Fancher Creeks project is one which is economically justified on the basis of flood damage prevention alone. Though other benefits accrue from the project, they are not required to produce a positive benefit/cost ratio. When constructed, the project will provide protection to 51,000 acres containing a population in excess of 112,000 people at a benefit/cost ratio of 1.6 to 1.0. Total estimated average annual flood damages exceed six million dollars and affect both urban and agricultural properties. The proposed works will also protect an open irrigation canal system which transverses 210,000 acres of the world's most productive agricultural lands, Fresno County's annual production exceeding one billion dollars. The project will control the historic flooding which has seen the stream and canal systems overtop their banks an average of once every four years since 1953.

In July 1980, the completed investigation report was forwarded to the Chief of the Corps by the Board of Engineers of Rivers and Harbors. The report was subsequently forwarded to the Secretary of the Army for transmission to Congress. The project was included by the Congress in H.R. 4788 (1980) for authorization of detailed engineering and design with funds provided within that Act to support such design work. Though that legislation was not enacted, the specially worded authorization reflected the awareness of the Congress of the special needs associated with this project. Congressional action effecting the requested appropriations is critical in that it will prevent additional delay, saving the taxpayer an estimated twenty percent in increased project costs which would be associated with such delay.

We appreciate the privilege of appearing before the Committee and the past support the Committee has given the project. We respectfully urge your continued support and ask that our statements be made a part of the hearing record.

A more detailed presentation accompanies this request.

The people of the central county area of Fresno County, California are deeply appreciative of the opportunity to have the presentations of their representatives heard by the honored members of the Congress. While the Redbank-Fancher Creeks Flood Control Project is not large by some standards, it is critically important to the Fresno-Clovis metropolitan area which is the business center of the most productive agricultural county in the world, average production exceeding one billion dollars annually since 1974.

This report, first submitted in May 1971, has been prepared to substantiate and support the vital need for flood control works on Redbank and Fancher Creeks. These two uncontrolled natural streams are related to and are a part of the San Joaquin-Kings River Interstream Group which were included in the San Joaquin River Basin Survey by the Corps of Engineers for more efficient management of the investigations. The Redbank and Fancher Creeks study was removed from the Interstream Group and listed as a separate project when the South Pacific Division of the Corps forwarded the completed feasibility report and the required environmental inpact study to the Board of Engineers of Rivers and Harbors in July 1977.

AUTHORIZATION:

The Congress, on June 13, 1956, authorized the Corps of Engineers to investigate the feasibility of a federal flood control project for the Redbank-Fancher Creeks stream group, this following the major floods of 1955 and 1956. Unfortunately, funds were not provided and the Corps did not begin the investigation until the area had suffered its worst flooding in history during January and February of 1969. The release of funds and the start of the investigation occurred in July 1970, some fourteen years after Congressional authorization.

PROJECT LOCATION AND NEED:
Redbank and Fancher Creeks, their tributaries and related streams addressed by the proposed project, are located on the western slope of the Sierra Nevada mountains. The watershed encompasses some seventy-five square miles and generates storm runoff which flows through the heart of the metropolitan area. The flows impact directly on the open irrigation canal system which transverses some 210,000 acres of the world's most productive agricultural land and 45,000 acres of a densely developed urban community with a population in excess of 350,000.

It is currently estimated that the flood plain to be protected by the proposed project includes 51,000 acres with a population of 112,000 (1978) and a market value in excess of 1.6 billion dollars. Total estimated average annual flood damages exceed $6,000,000 and affect both urban and agricultural properties.

HISTORY OF FLOODING:
As a result of the uncontrolled nature of the subject stream group, flooding has occurred frequently. Floods of record occurred in March 1938, December 1955, January 1956, January 1969, February 1969 and March 1978. In addition, available records indicate flooding of lesser severity occurred in 1952, 1958, 1965, 1972 and 1977 with the streams and irrigation canal system overtopping their banks on the average of once every four years since 1953.

Although the recent floods which occurred in February and March 1978 were of a lesser magnitude than those of 1969, thousands of dollars in damages to private homes, public roads, irrigation facilities and hundreds of acres of prime agricultural lands were experienced. Such floods again demonstrated the urgent need for immediate construction of flood control works.

LOCAL SUPPORT:
Following the floods which occurred in January and February 1969, the Fresno area was declared a part of California's disaster area. With the realization that millions of dollars in flood damages could have been prevented and that a recurrence of such floods would be even more devastating, a public hearing on the subject of needed flood control works was held on February 28, 1969. Hundreds of the community's citizens representing some seventy-five public and private organizations met and drafted resolutions to the U. S. Army Corps of Engineers and legislative representatives urging the active pursuit of Redbank-Fancher Creeks flood control project. Subsequently, the County of Fresno, the Cities of Fresno and Clovis, the Fresno Metropolitan Flood Control District, and the Fresno Irrigation District, authorized direct work with the Corps of Engineers and the Congress to secure adequate flood protection for the Fresno-Clovis metropolitan area.

In an effort to ensure the availability of lands needed for the required flood control structures, the County of Fresno acting jointly with the Fresno Metropolitan Flood Control District did, on October 22, 1974, effect open-space and conservation zoning of approximately 500 acres. More recently, the Cities of Clovis and Fresno, the County of Fresno, and the Fresno Metropolitan Flood Control District, signed contracts appropriating $335,000 per year to acquire the necessary project lands.

Relatedly, the California Water Commission has historically supported and continues to support the project. Further, the State Reclamation Board has submitted a supporting letter of intent for local assurances.

Most recently, a broadly based Citizens Project Advisory Committee has been created by the Flood Control District. The Committee has reviewed and confirmed the project's need and design features. The Committee has now completed the structuring of a financing plan to ensure the availability of the required local cost share and the equitable distribution of those costs.

ENVIRONMENTAL CONSIDERATIONS:
Upon completion and distribution of the Draft Feasibility Report and Draft Environmental Impact Statement, a public hearing was held within the project area by the Fresno Metropolitan Flood Control District, the local project sponsor, and the U. S. Army Corps of Engineers. Testimony submitted during the subject hearing indicated that there are no areas of controversy associated with the project or its limited environmental impact. In summary, the testimony received confirmed the accuracy of the Draft Environmental Impact Statement in identifying only limited impacts and the adequacy of the proposed mitigation measures. It was also apparent that any adverse environmental impact which might be associated with the project during the brief construction period would be of a temporary nature and insignificant when compared with the permanent environmental and social benefits which would be derived by the construction of the needed works.

PROJECT FEASIBILITY AND FINANCING:
The complete report, supplemented by additional detailed studies, substantiates the need for the proposed project and identifies strong economic justification. The project costs and benefits reflected in the completed report (1978) are as follows:

Total First Costs:	$ 57,100,000	
Average Annual Costs (6-7/8% Interest)		$ 3,835,000
Total Average Annual Benefits:		
Flood Control	4,956,000	
Flood Proofing Cost Reduction	285,000	
Recreation	394,000	
National Economic Development	608,000	
Total Average Annual Benefits		$ 6,243,000

Benefit/Cost Ratio 1.6 to 1

Noteworthy, is the fact that the project is economically justified on the basis of flood damage reduction benefits alone. While other benefits are cited, they are not needed to produce a positive benefit/cost ratio. It should be noted that, while not included in the actual benefit calculations, the proposed project will also create significant beneficial effects in the areas of water conservation, groundwater management and wildlife enchancement.

The anticipated distribution of the project costs between the Federal Government, the State of California, and the local sponsor is as follows:

Federal Government	$ 41,600,000
State of California	9,477,000
Fresno Metropolitan Food Control District (Plus Annual O & M a/ $230,000)	6,023,000
Total Project Cost	$ 57,100,000

PROJECT STATUS REVIEW:
Review of the completed project report by the Division Engineer resulted in his concurrence with the investigative conclusions of the District Engineer.

Upon completion of the Division Engineer's review, additional study was undertaken at the request of the Board of Engineers, that additional study similar to that normally performed during the Phase I study which follows project authorization. Unfortunately, the additional study delayed the project for approximately two years causing an estimated seventeen percent increase in project costs.

During July 1980, the Board of Engineers of Rivers and Harbors forwarded to the Chief of the Corps of Engineers the completed project report and environmental impact report. The report was subsequently forwarded to the Secretary of the Army for transmission to the Congress.

The project has been included in legislation passing the House of Representatives during two recent sessions of the Congress, the latest H.R. 4788 (1980). Though that legislation was not enacted, the specially worded authorization reflected the awareness of the Congress of the special needs associated with this project.

Legislation was again introduced in 1981 jointly by Senators Cranston and Hayakawa and Congressemen Pashayan and Coelho providing for final authorization. Timely action by the Congress effecting the necessary authorizations and appropriations will save as much as an additional two-year delay in the project, thereby saving the taxpayers an estimated twenty percent in increased project costs which would otherwise result.

CONCLUSION: REQUEST FOR AUTHORIZATION
On June 13, 1980, twenty-four years had elapsed since Congress first authorized the proposed Redbank-Fancher Creeks Flood Control Project. The need for the project has been identified in a total of eight different studies and investigations performed at both the local and federal level. The project feasibility investigation completed in July 1977 confirms the project need and identifies strong economic justification for project construction. Further, the more advanced and detailed technical analysis performed for the Board of Engineers has confirmed the previous recommendations of both the District and Division Engineer of the Corps.

Because it is our belief that the proposed Redbank-Fancher Creeks Flood Control project has met all requirements for federal participation and meets all current standards of economic justification and environmental protection, we most respectfully urge the favorable action of the Committee and the Congress in authorizing the Redbank-Fancher Creeks Flood Control Project funding.

STATEMENT OF GARVIN WHITE, PRESIDENT, KINGS RIVER WATER CONSERVATION DISTRICT

Mr. FRANKLIN. Senator, our next speaker is Mr. Garvin White, president of Kings River Water Conservation District.

Mr. White. Thank you, Mr. Chairman. I am Garvin White, I am a farmer from Fresno County and president of the conservation district. My written statement has been submitted for the record.

We do request, and the other people there do request, Federal funding equal to the Corps of Engineers' capability. The statement appearing before your committee goes into much more detail.

Senator JOHNSTON. Thank you, Mr. White.

[The statement follows:]

STATEMENT OF GARVIN H. WHITE, PRESIDENT, BOARD OF DIRECTORS, KINGS RIVER CONSERVATION DISTRICT, CALIFORNIA

My name is Garvin H. White and I am President of the Board of Directors of the Kings River Conservation District of Fresno, California. I am appearing today in support of the Redbank-Fancher Creeks Flood Control Project.

My purpose before the Committee is to request that federal funding to support construction design be included in the budget for the 1982-83 fiscal period in an amount equaling the expressed Corps capability, but not less than the $410,000 amount currently provided in the President's proposed budget.

The Redbank-Fancher Creeks project was initially identified in the Big Dry Creek project investigation authorized by the Congress in 1940. In 1956, the Congress specifically authorized the flood control project investigation for the Redbank and Fancher Creeks stream system. Unfortunately, federal funds for the investigation were not appropriated until Fresno County was declared a part of the 1969 California disaster area. Since that time, however, the Congress has made funds available to meet the Corps' needs in the project investigation. That investigation is now complete and identifies the need for the project, proving it to be both economically justified and environmentally sound.

Noteworthy, is the fact that the Redbank-Fancher Creeks project is one which is economically justified on the basis of flood damage prevention alone. Though other benefits accrue from the project, they are not required to produce a positive benefit-cost ratio. When constructed, the project will provide protection to 51,000 acres containing a population in excess of 112,000 people at a benefit-cost ratio of 1.6 to 1.0. Total estimated average annual flood damages exceed six million dollars and affect both urban and agricultural properties. The proposed works will also protect an open irrigation canal system which transverses 210,000 acres of the world's most productive agricultural lands, Fresno County's annual production exceeding one billion dollars. The project will control the historic flooding which has seen the stream and canal systems overtop their banks an average of once every four years since 1953.

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I appreciate the privilege of appearing before the Committee and the past support the Committee has given the project. I respectfully urge your continued support and ask that my statement be made a part of the hearing record.

A more detailed presentation accompanies this request.

The Kings River Conservation District and the people of the central county area of Fresno County, California are deeply appreciative of the opportunity to have our presentation heard by the honored members of the Congress. While the Redbank-Fancher Creeks Flood Control Project is not large by some standards, it is critically important to the Fresno-Clovis metropolitan area which is the business center of the most productive agricultural county in the world; average production exceeding one billion dollars annually since 1974.

This statement has been prepared to substantiate and support the vital need for flood control works on Redbank and Fancher Creeks. These two uncontrolled natural streams are related to and are a part of the San Joaquin-Kings River Interstream Group which were included in the San Joaquin River Basin Survey by the Corps of Engineers for more efficient management of the investigations. The Redbank and Fancher Creeks study was removed from the Interstream Group and listed as a separate project when the South Pacific Division of the Corps forwarded the completed feasibility report and the required environmental impact study to the Board of Engineers of Rivers and Harbors in July 1977.

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In an effort to ensure the availability of lands needed for the required flood control structures, the County of Fresno acting jointly with the Fresno Metropolitan Flood Control District did, on October 22, 1974, effect open-space and conservation zoning of approximately 500 acres. More recently, the Cities of Clovis and Fresno, the County of Fresno, and the Fresno Metropolitan Flood Control District, have signed contracts appropriating $335,000 per year to acquire the necessary project lands.

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It should be noted that, while not included in the actual benefit calculations, the proposed project will also create significant beneficial effects in the areas of water conservation, groundwater management and wildlife enhancement.

The anticipated distribution of project costs between the Federal Government, the state of California, and the local sponsor is as follows:

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CONCLUSION: REQUEST FOR AUTHORIZATION

On June 13, 1980, twenty-four years had elasped since Congress first authorized the proposed Redbank-Fancher Creeks Flood Control Project. The need for the project has been identified in a total of eight different studies and investigations performed at both the local and federal level. The project feasibility investigation completed in July 1977 confirms the project need and identifies strong economic justification for project construction. Further, the more advanced and detailed technical analysis performed for the Board of Engineers has confirmed the previous recommendations of both the District and Division Engineer of the Corps.

Because it is our belief that the proposed Redbank-Fancher Creeks Flood Control project has met all requirements for federal participation and meets all current standards of economic justification and environmental projection, we most respectfully urge the favorable action of the Committee and the Congress in authorizing the Redbank-Fancher Creeks Flood Control Project funding.

Sacramento-San Joaquin Delta Water Quality Studies

STATEMENT OF JOHN DEVITO, GENERAL MANAGER, CONTRA COSTA WATER DISTRICT

Mr. Franklin. Our next speaker is John DeVito, manager of the Contra Costa Water District.

Mr. DeVito. Mr. Chairman, I would like to present the president of our board, Mr. Craig Z. Randall, who is behind me. He is distinguished in that a few years ago he defeated in Salem, Oreg., your chairman, Senator Hatfield, as president of Westley Junior High School.

As you probably know, you have heard that northern California produces the water and southern California uses it. We are in the middle of the State, and in the transfer of that water, it draws saltwater into our area of 300,000 people. We have had experience with the cost sharing 20 years ago and we advanced 50 percent of the study for this problem. Recently, we advanced other studies, as well as in-kind engineering. So we are asking here today for the Federal share of the local contribution to a feasibility study.

We thank you for the opportunity to appear before you, and may our statement be made a part of the record. Thank you.

[The statement follows:]

STATEMENT OF JOHN E. DEVITO, GENERAL MANAGER, CONTRA COSTA (CALIF.) WATER DISTRICT

SACRAMENTO - SAN JOAQUIN DELTA WATER QUALITY

Honorable Chairman and Committee Members, my name is John E. DeVito, General Manager of the Contra Costa Water District, a public agency of the State of California.

For over forty years, Contra Costa Water District by way of repayment contracts with the U.S. Bureau of Reclamation, has been responsible for the water supply for some 300,000 people, 23 industries that employ over 16,000 employees, and 150 small farms, through the Contra Costa Canal System, the first unit of Federal Central Valley Project. The District also diverts water from the Delta under a vested water right dating back to the 1930's prior to the CVP. We depend solely and totally on the Sacramento - San Joaquin Delta for our water supply.

Due to the USBR's over-commitment of the CVP water supply and build-ups in exports from the Delta, we are experiencing re-occurring increased salt water intrusion in the Delta, to a level that is adverse to public health, causes loss of certain industrial products, adds severe penalty treatment costs to all industry, and causes damage to irrigated plants. (Note attachments.)

These adverse effects on public health, industry and agriculture occurred during 1959 - 1960 - 1961, due to USBR operations, and occurred again during the 1976 - 1977 drought, due to the obvious over-commitment of the CVP. For 161 days in 1979 and 143 days in 1981, due to export pumping caused salt water intrusion, the Water District distributed notices to the County Health Department, doctors, hospitals, and the press warning of high sodium levels in the water supply. USBR statements indicate that these poor water quality levels will occur in the future during normal years.

Accordingly, Contra Costa Water District supports the conditions necessary to protect the beneficial uses in the Sacramento-San Joaquin Delta, San Francisco Bay, and Suisun Marsh as stated by the District and the California Water Commission with particular attention to:

No. 21 Sacramento Ship Channel

Based on the letter of agreement between State and the Corps dated 3 February, 1981, as described in "San Francisco Bay to Stockton Ship Channel" (Item 34), Commission supports the funding of detailed engineering studies for deepening the Sacramento deep water channel, and urges the Corps of Engineers to proceed expeditiously with the program to upgrade the capability of the Corps Bay-Delta Model to measure and record changes in salinity and other related matters.

No. 29 New Melones Lake

The Commission reaffirms its position that the appropriations should be conditioned to provide that New Melones Reservoir shall be operated in accordance with the provisions of Decision 1422 of the State Water Resources Control Board. Commission support is contingent upon expeditious acquisition of riparian habitat and flood easements downstream of the dam, and resolution of downstream salmon problems related to release schedules, flow, and temperature.

No. 34 San Francisco Bay to
Stockton Ship Channel

DWR and the Corps have approved a letter of agreement dated 3 February 1981, regarding the deepening of the Stockton and Sacramento Ship Channels. It provides that DWR will not object to the Corps completing construction work on the Stockton Ship Channel. If studies and tests to be conducted by the Corps determine that deepening the channels will cause a significant or measurable increase in salinity incursion, the Corps will conduct model tests of mitigation measures, including a sill in Carquinez Strait, and will recommend implementation of such measures and an allocation of the cost between the Stockton and Sacramento Ship channel projects.

The Corps should determine the Stockton Ship Channel deepening project's input on the dissolved oxygen problems in the San Joaquin River if any, and propose methods of mitigation if appropriate. We urge the Corps to complete an agreement with the Department of Fish and Game.

No. 46 Auburn Dam and Reservoir

The Commission supports economic, environmental and fish and wildlife studies recommended by former Secretary of the Interior.

The Commission opposes appropriations for construction of Auburn Dam until the following have been completed:

1. Congress has reauthorized Auburn Dam.
2. A memorandum of understanding or water service contracts for 75% of the water yield have been executed;
3. The Bureau of Reclamation agrees to comply with provisions of Decision 1400 of the California State Water Resources Control Board;
4. The State has approved the design of the dam finally selected.

The State Water Resources Control Board, Department of Water Resources and Bureau of Reclamation have executed an agreement dated July 16, 1979 providing for coordination of Water Rights, environmental impact statement review and federal project authorization.

No. 48 Folsom South Canal

Same conditions for Item 46.

No. 52 San Luis Drain

Due to recent USBR stated intentions on the location of the San Luis Drain point of discharge, Contra Costa Water District must expand its position on behalf of the water supply integrity of not only the beneficial uses of the Contra Costa Water District, the Bay and Delta but on behalf of all California who must bear the economic and environmental consequences of an over-committed Federal and State water supply as follows:

Insert the following amendment in the 1982 Appropriations Act:

"Provided further, that construction of the Drain extension north of Kesterson Reservoir shall not be initiated, and the final point of discharge for the interceptor drain for the San Luis Unit shall not be determined until:

1. An NPDES permit for the proposed discharge to the Delta has been issued by State Water Resources Control Board and approved by Administrator, U.S. Environmental Protection Agency.
2. Any necessary treatment facilities and storage shall be in place and fully operable prior to initiation of discharge.

3. Sufficient storage shall be provided that, if and when necessary, discharge to Delta water could be limited to those times during the tidal cycle when the discharge would have minimum adverse impact on Delta water quality.
4. The Drain system is so designed, constructed and operated that discharge to Delta waters could be stopped during critically dry periods.
5. Those entities discharging to the Drain are required to develop and implement conservation programs which will minimize the discharge of both water and pollutants to the Drain.
6. A continuing detailed monitoring program is developed.

No. 59 - 64 San Felipe Division

Commission strongly urges Congress not to underfund or lower the budget level. More cuts will seriously disrupt the plans to meet the needs of Santa Clara and San Benito Counties.

The Commission urges the Congress to provide that diversions of water from the Delta by the Bureau of Reclamation be subject to federally approved Delta water quality standards.

No. 80 Feasibility Investigations
Kellog Unit Reformation
Delta Division

Consistent with the non-federal cost-sharing policy Contra Costa Water District is meeting with the USBR Regional Director, Mid-Pacific Region, to develop a plan of study for Kellog Reformation that provides for in-kind contributions at Water District expense. Commission supports funding of feasibility investigation of Los Vaqueros Reservoir and relocation of Contra Costa Canal intake.

State and USBR have executed a memorandum of understanding dated December 12, 1980 regarding a joint investigation of the Los Vaqueros-Kellog project including relocation of Contra Costa Canal intake. Commission supports $10 ($10,000) for fish and wildlife studies.

No. 81 Shasta Dam Enlargement

State and USBR jointly undertaking investigation in accordance with 12/16/79 letter of intent. The State Water Resources Control Board, Department of Water Resources and the Bureau of Reclamation have executed an agreement dated July 16, 1979 providing for coordination of Water Rights environmental impact statement and federal project authorization.

No. 84 Delta Support Studies including Suisun Marsh

Bureau of Reclamation and Department of Water Resources agree operation of Central Valley and State Water Projects have adverse effects on fish and wildlife in the Sacramento-San Joaquin Delta and the San Francisco Bay Estuary. State Water Resources Control Board's Decision 1485 requires environmental studies be continued for use in future State water rights hearings.

Commission urges full fundings for these studies including efforts in the Suisun Marsh.

No. 88 Environmental and Interagency Coordination Activities, Mid-Pacific Region

No. 89 Fish and Wildlife Management Study

No. 90 Wind Energy Study Central California-Nevada

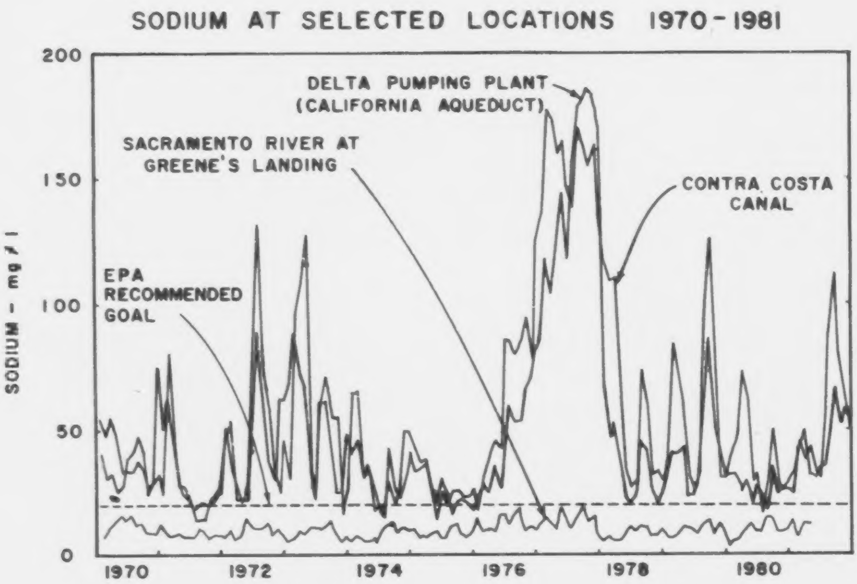
Commission supports funding adequate to accelerate the investigations.

No. 92 Central Valley Conservation Study

Commission supports preparation of a water conservation plan by the Bureau of Reclamation as requested by Governor Brown in his July 18, 1980, letter to former Secretary of the Interior. State Water Resources Control Board supports the study. In response to a Governor's Executive Order, California is spending about $950,000 on water conservation in service areas of the State Water Project.

In summary, our comments in the past and specifically at this time, recognize and commend the wisdom of the Congressional enactment of Public Law 95-46 -- The San Luis Task Force Study -- which study "points to the need for profound changes in Bureau of Reclamation procedures in some instances and legislative changes in others".

Please accept our appreciation for this opportunity to appear, and may this statement be made part of the record.

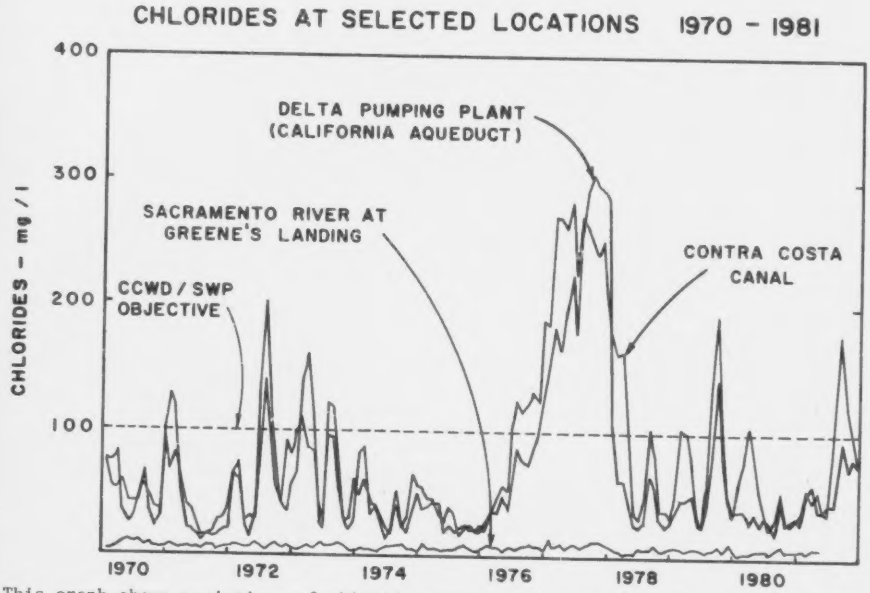


This graph shows variations of sodium concentrations at three locations in the Sacramento-San Joaquin Delta between 1970 and 1981. The data represent the quality of water supplied to the Contra Costa Water District and State Water Project, and that of the Sacramento River near the intake of the proposed Peripheral Canal.

High sodium concentrations in domestic water supplies are of concern to those who must limit their sodium intake for medical reasons such as a predisposition to hypertension. Although the EPA has recommended a goal of not more than 20 mg/l sodium in drinking water, no official standard for sodium has been established.

The Sacramento River provides about 90 percent of total Delta inflow and has an average sodium concentration of about 10 mg/l. Although the sodium concentration of most Delta inflow is low, concentrations increase within the Delta. One cause is drainage discharged by the Delta's 520,000 acres of farmlands, especially during the winter, when accumulated salts are flushed from the soils. During periods of lower Delta outflow, the major source of degradation is the intrusion of salty ocean water from San Francisco Bay into the Delta. Once it reaches the Western Delta, the saltier water is drawn inland by the pumps of the Federal Central Valley Project and State Water Project located at the Delta's southern boundary.

The Rock Slough intake to the Contra Costa Canal, located in the Southern Delta, is subject to water quality degradation from two sources. The discharge of agricultural drainage near the intake frequently causes increased concentrations of sodium and other chemicals even when quality is good in the waterways approaching Rock Slough. When ocean salts intrude into the Western Delta, the Federal and State pumps draw salty water toward the intake, increasing sodium in the Canal's supply.



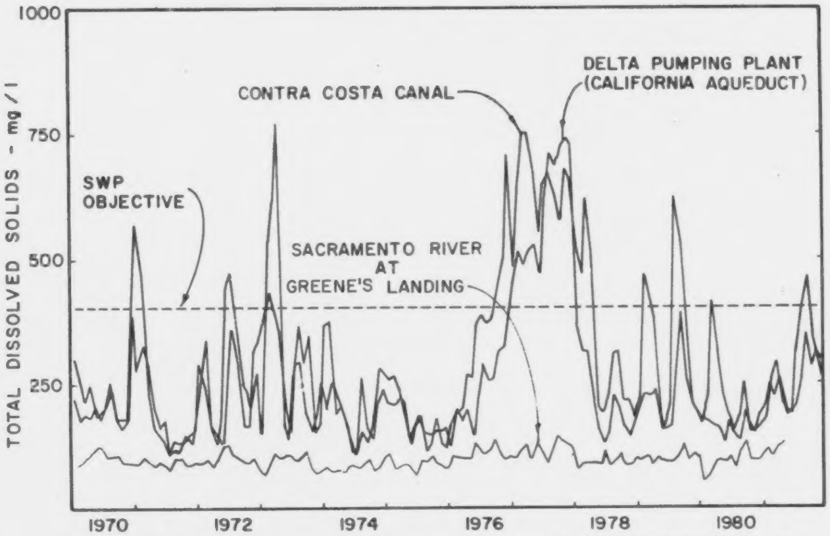
This graph shows variations of chloride concentrations at three locations in the Sacramento-San Joaquin Delta between 1970 and 1981. The data represent the quality of water supplied to the Contra Costa Water District and State Water Project, and that of the Sacramento River near the intake of the proposed Peripheral Canal.

The presence of excessive chloride concentrations results in economic loss in many industrial applications due to accelerated corrosion rates, and imparts an objectionable taste to drinking water. To protect their water users, the Contra Costa Water District and the State Water Project share the objective of an upper limit of 100 mg/l chloride in their water supplies. The graph shows that in both supplies, the limit is frequently approached or exceeded. Current standards of the State Water Resources Control Board, based on the EPA secondary drinking water standard, allow chloride concentrations up to 250 mg/l in both water supplies.

The Sacramento River provides about 90 percent of total Delta inflow and has an average chloride concentration of about 10 mg/l. Although the quality of most Delta inflow is good, concentrations of chlorides and other substances increase within the Delta. One cause is drainage discharged by the Delta's 520,000 acres of farmlands, especially during the winter, when accumulated salts are flushed from the soils. During periods of lower Delta outflow, the major source of degradation is the intrusion of salty ocean water from San Francisco Bay into the Delta. Once it reaches the Western Delta, the saltier water is drawn inland by the pumps of the Federal Central Valley Project and State Water Project located at the Delta's southern boundary.

The Rock Slough intake to the Contra Costa Canal, located in the Southern Delta, is subject to water quality degradation from two sources. The discharge of agricultural drainage near the intake frequently causes increased concentrations of chlorides and other chemicals even when quality is good in the waterways approaching Rock Slough. When ocean salts intrude into the Western Delta, the Federal and State pumps draw salty water toward the intake, increasing chlorides in the Canal's supply.

TDS AT SELECTED LOCATIONS 1970 - 1981



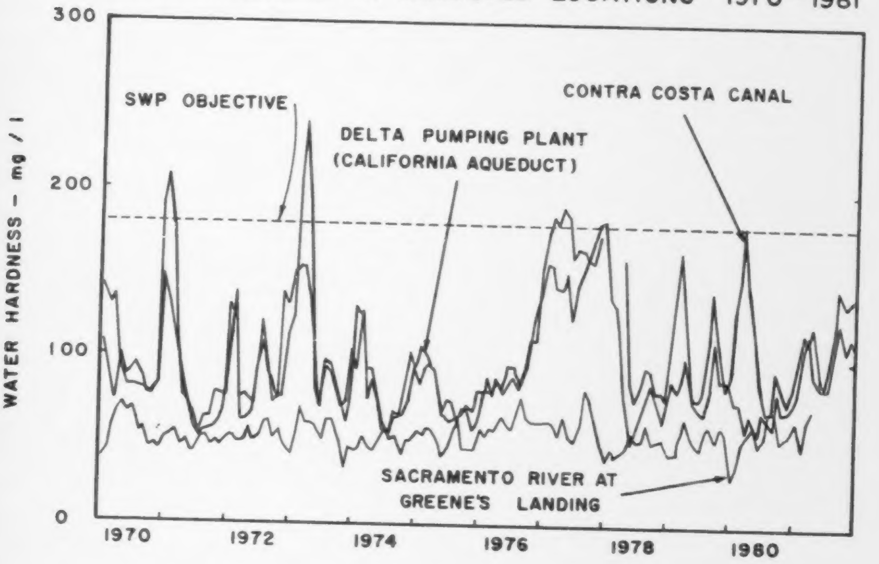
This graph shows variations of total dissolved solids (TDS) concentrations at three locations in the Sacramento-San Joaquin Delta between 1970 and 1981. TDS is an overall measure of the mineral content of water and its suitability for domestic, industrial and agricultural use. The data represent the quality of water supplied to the Contra Costa Water District and State Water Project, and that of the Sacramento River near the intake of the proposed Peripheral Canal.

The Sacramento River provides about 90 percent of total Delta inflow. As the graph shows, TDS concentrations in the Sacramento average about 100 milligrams per liter. Most of the remainder of the Delta's inflow comes from the San Joaquin River which is usually higher in TDS due to the presence of substantial volumes of agricultural drainage water.

Although the quality of most Delta inflow is good, TDS concentrations increase within the Delta. Discharges of agricultural drainage from the Delta's 520,000 acres of farmland increase TDS levels, especially during the winter when accumulated salts are flushed from the soils. During the summer, low flows may result in the intrusion of ocean salts into the western Delta. The saltier water is then drawn into the interior by the pumps of the Federal Central Valley Project and State Water Project located at the Delta's southern boundary.

The Rock Slough intake to the Contra Costa Canal is located in the heart of the southern Delta's farming area and is subject to TDS degradation due to agricultural drainage near the intake, even when quality is good in the waterways approaching Rock Slough. In addition, since the intake lies on the route taken by water drawn from the west by the Federal and State pumps, TDS levels may rise due to western Delta salinity intrusion during lower flow periods. The Canal's double vulnerability to TDS degradation in the Delta is illustrated by the data shown above.

WATER HARDNESS AT SELECTED LOCATIONS 1970 - 1981



This graph shows variations of water hardness at three locations in the Sacramento-San Joaquin Delta between 1970 and 1981. The data represent the quality of water supplied to the Contra Costa Water District and State Water Project, and that of the Sacramento River near the intake of the proposed Peripheral Canal.

Hardness is an indirect measure of soap requirements for adequate cleaning, and an indicator of the potential for scale formation in home hot water heaters and industrial boilers.

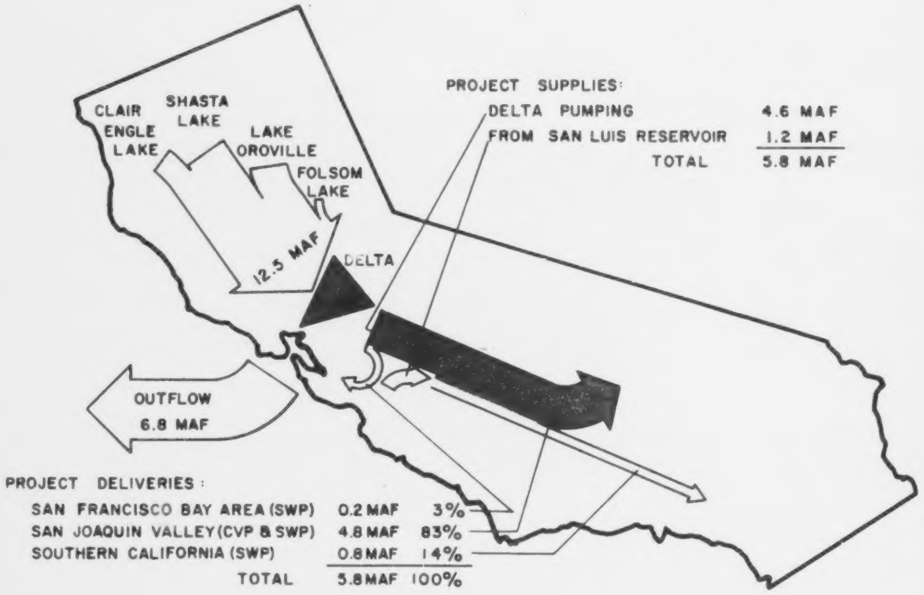
The Sacramento River provides about 90 percent of total Delta inflow and has an average hardness of about 60 milligrams per liter. Although the quality of most Delta inflow is good, hardness increases within the Delta. Discharges of agricultural drainage from the Delta's 520,000 acres of farmland increase hardness levels, especially during the winter when accumulated salts are flushed from the soils. During the summer, low flows may result in greater hardness due to the intrusion of ocean salts into the Western Delta. The saltier water is drawn into the interior by the pumps of the Federal Central Valley Project and State Water Project located at the Delta's southern boundary.

The Rock Slough intake to the Contra Costa Canal is located in the heart of the Southern Delta's farming area and is subject to increased hardness due to agricultural drainage near the intake, even when water quality is good in the waterways approaching Rock Slough. In addition, since the intake lies on the route taken by water drawn from the west by the Federal and State pumps, hardness may rise due to Western Delta salinity intrusion during lower flow periods. The Canal's double vulnerability to increased hardness in the Delta is illustrated by the data shown above.

DELTA WATER SUPPLY AND USE - 1981

Water year 1981 (October 1, 1980 through September 30, 1981) was a dry year in the Sacramento River Basin. Natural river inflow to four major storage reservoirs totalled 11 million acre-feet (MAF), about 64 percent of the long-term average.

The diagram shows that the Sacramento-San Joaquin Delta received total river inflow of 12.5 MAF during the dry year. The inflow included augmentations of 1.4 MAF released from major storage reservoirs of the Federal Central Valley Project (CVP) and State Water Project (SWP).


CLAIR ENGLE LAKE
SHASTA LAKE
LAKE OROVILLE
FOLSOM LAKE
12.5 MAF
DELTA
OUTFLOW 6.8 MAF
PROJECT SUPPLIES:
DELTA PUMPING 4.6 MAF
FROM SAN LUIS RESERVOIR 1.2 MAF
TOTAL 5.8 MAF
PROJECT DELIVERIES:
SAN FRANCISCO BAY AREA (SWP) 0.2 MAF 3%
SAN JOAQUIN VALLEY (CVP & SWP) 4.8 MAF 83%
SOUTHERN CALIFORNIA (SWP) 0.8 MAF 14%
TOTAL 5.8 MAF 100%

Use of the Delta's 1981 inflow is summarized as follows:

Outflow to San Francisco Bay	6.8 MAF	54 percent of Inflow
Water used within Delta	1.1	9
CVP and SWP project pumping	4.6	37
	12.5 MAF	100 percent

The diagram summarizes total CVP and SWP Delta water supplies as well as the projects' deliveries during 1981. Note that the supplies included 1.2 MAF pumped from the Delta before the water year began and stored for later use in San Luis Reservoir, located in the San Joaquin Valley near Los Banos.

Colusa County Water District Loan

STATEMENT OF CLOYD EMRICK, ENGINEER MANAGER, COLUSA COUNTY WATER DISTRICT

Mr. Franklin. Our next speaker is Cloyde Emrick, the engineer manager of Colusa County Water District.

Mr. Emrick. Mr. Chairman, I have submitted my full statement for the record. I will summarize it by saying the President's budget items labeled 2B construction preconstruction and construction of contract 3 and distribution system 3a. We respectfully request your approval of these items which will complete design and construction already in process.

People of our district appreciate your assistance and the committee's past help, and we request your continued assistance.

[The statement follows:]

STATEMENT OF CLOYDE L. EMRICK, MANAGER, COLUSA COUNTY (CALIF.) WATER DISTRICT

I am Cloyde Emrick, Manager of the Colusa County Water District in the service area of the Tehama-Colusa Canal, Sacramento River Division of the Central Valley Project.

SUMMARY

The President's budget contains Bureau of Reclamation items labeled 2B Construction, Preconstruction and Construction of Contract 3, and Distribution System 3a. We respectfully request your approval of these items which will complete design and construction already in process.

The Tehama-Colusa Canal of the Central Valley Project is now available to serve irrigation water to the farms of our District. Our existing 9(d) contract funds are inadequate for the Bureau of Reclamation to complete our distribution system so we are applying for a Public Law 84-130 loan to complete construction. Our loan application is well advanced and we will be in a position to design the system and initiate construction in Fiscal Year 1983. Our schedule shows a need for $846,200. in F. Y. 1983. The President's budget does not include funds for this loan so we respectfully request your approval of the amount. Our landowners are faced with failing groundwater supplies and loss of large investments unless water is made available soon from the Tehama-Colusa Canal. Further, repayment of the United States' investment in the Canal is dependent upon sale of water.

Our District extends it's support to the studies for enlargement of Shasta Dam and construction of Auburn Dam.

- -

The Colusa County Water District is in Northern California. It was formed in 1954 to receive water from the Tehama-Colusa Canal and distribute it to 40,000 acres of rich agricultural land that comprise the District. The Central Valley Project water augments the local groundwater supplies and is essential to achieve the full productivity of our farms.

The President's budget contains the following three items of special interest to the Colusa County Water District: (1) 2B Construction; (2) Preconstruction and Construction of Contract 3; and (3) Distribution System 3a.

A construction contract now underway (2B Construction) is not scheduled to be fully completed until Fiscal 1983. Since it is a very costly and seldom beneficial process to stop construction in mid-progress it is important that you retain this item in the budget.

Preconstruction and Construction of Contract 3 funds will permit continuation of the process now underway to design and install several pumping stations which will deliver water from the Tehama-Colusa Canal to our District's farms. We request your support of the completion of this work.

The Distribution System 3a item will permit a construction contract to be bid in December, 1982, and completed in 1983, which will mark the final District expansion under the existing 9(d) assistance program. Please retain this item in the budget.

The District is comprised of small family farms which have been handed down for generations; many pre-dating the accomplishments of the Central Valley Project. The 1980 completion of the Tehama-Colusa Canal within the District marked a long awaited milestone. When canal construction began in 1965 our District signed a 9(d) contract for a $14,800,000. loan to build our distribution system. Rising costs between 1965 and the present have eroded that dollar amount to the point that it will now provide only 2/3 of our District with the necessary supplemental water supply. This 9(d) work is underway presently and we are applying for a supplemental loan under Public Law 84-130 to complete the remaining 1/3 of the system. Our application is in the office of the Secretary of Interior for approval. Our schedule calls for $846,200, in F. Y. 1983 for design and start of construction. It is urgent that our system be completed and we respectfully ask that you include the necessary funds in the F. Y. 1983 budget.

Increasing land values and rising local and state taxes make it imperative that lands now using the failing groundwater supplies continue to be irrigated and the now dry-farmed lands be brought under irrigation soon. Conversion from dry-farmed to irrigated crops usually results in a five or six-fold increase in value per acre of produce grown. Rapidly rising food prices demonstrate the need for such increases in production. Also, much of the produce grown is exported. Such exports are an important factor in meeting the nation's foreign exchange requirements.

Many landowners have spent money on development of their lands in expectation that water would be available. Hence it is essential that the distribution system be financed and built soon. Also, repayment of the Government's investment in the Tehama-Colusa Canal depends upon sale of water to the irrigators.

The people of our District greatly appreciate the assistance the federal reclamation program provides and your Committee's past help in financing the irrigation facilities.

I would like to close by acknowledging the District's support of the Bureau of Reclamation's efforts to improve the water supply future of California through studies for the enlargment of Shasta Dam and construction of Auburn Dam.

Mr. FRANKLIN. Mr. Chairman, our next speaker is Marshall Jones, consulting engineer for Oakdale Irrigation District.

Mr. JONES. Thank you for your time, Senator.

I am representing the water district seeking funds for a Public Law 130 loan to build distribution systems; and third, I am speaking for the Oakdale Irrigation District, seeking funds under Public Law 984 for the irrigation system.

We are one of the districts that are involved in the Public Law 984 loans being held up in the Secretary's desk, and we have been at this point now for a year; we have the water available to our district. Our statement has been filed, and for your information the water supply here is from a locally funded dam.

This project we are trying to fund through the loan program consists of designs over 20 years ago. Any help you can give here will be greatly appreicated.

Thank you very much.

[The statement follows:]

STATEMENT OF MARSHALL JONES, WATER CONSULTANT FOR OAKDALE IRRIGATION DISTRICT, CALIFORNIA

The Oakdale Irrigation District, formed in 1909, operates with some 225 miles of open, unlined ditches to deliver irrigation water. To conserve water and reduce maintenance costs, the district proposes to convert 64 miles of the smaller ditches to concrete pipe and line 4 miles of a large main canal. Additionally, the project will reduce use of chemicals for weed and mosquito control. Also, the hazards to children and animals from open ditches will be reduced.

The district will utilize its own forces at its own cost to perform all engineering work and a portion of the installation of the concrete pipe. The program is scheduled to be completed in 4 years. The total cost is estimated at $21,056,000. The district will finance $4,111,000 from its own sources leaving a loan requirement of $16,945,000. The loan will be repaid to the Government in 18 years. In fiscal year 1983, $3,344,000 will be needed.

The need to conserve water and reduce maintenance costs through the proposed improvements is great and the district respectfully asks that your committee approve the needed funding for fiscal year 1983.

Mr. FRANKLIN. Senator, on behalf of the State of California, I would like to thank you for the time you took this afternoon to hear our problems. We request that all of the additional written statements that have been submitted be included in the record at this time.

Senator JOHNSTON. Thank you. You put on a good show here with a lot of witnesses in a short period of time. And I must say, that each witness got to the point in a very persuasive way. Thank you, again for your interest and effort in organizing and coordinating this presentation today.

[The statement follows:]

STATEMENT OF SAN BENITO COUNTY (CALIF.) WATER CONSERVATION AND FLOOD CONTROL DISTRICT

The San Benito Water Conservation and Flood Control District Directors have instructed me to urgently request the appropriations totaling $38,177,000 for Bureau of Reclamation facilities and $7,250,000 for the second phase of construction of the water distribution sub-system to be constructed by the District Funding that has been recommended by the California Water Commission. The $38,177,000 is for various facilities being constructed by the Bureau of Reclamation including the Pacheco Tunnel, Pacheco Pumping Plant and Switchyard, Pacheco Conduit, Santa Clara Conduit and Tunnel, Hollister Conduit and other features including Planning and Ground Preparation. The $7,250,000 is the third advance on the P. L. 84-130 loan agreement of $19,900,000 which the San Benito County Water Conservation and Flood Control District has with the Bureau of Reclamation. This is for the purpose of constructing the water distribution system in Sub-areas 2,3,4 of Zone VI, the zone of benefit for imported San Felipe Water. The District is contributing $2,059,000 to the $21,959,000 cost of the distribution system.

We call your attention to the presently proposed budget for the San Felipe Division for 1982-83. My Board of Directors completely support the President's proposed program of government expense reduction but they firmly believe that the San Felipe Division should receive its proportionate share of the final California allocation.

The Pacheco Tunnel, one of the main features of the San Felipe Project, is 85% finished, with only a small portion to be cemented and grouted. The second feature of importance is the Santa Clara Tunnel which is approximately 1.1 miles long. This tunnel has been drilled to about 75% of the distance, and hopefully with funding will be completed in December 1982. The first section of the conduit system has been laid around the city of Hollister. There are seven other ancillary systems to the San Felipe Division, all of which should be completed just prior to availability of water from the Pacheco Tunnel. This will provide the earliest possible cash flow and initiation of payback to the Bureau of Reclamation.

The water from the San Felipe Division is desperately needed to sustain an existing agricultural economy and community in San Benito County - not bring new lands into production.

The zone of benefit (Zone VI) consists of family farms with the owners living thereon and the cities of Hollister and San Juan Bautista. This area now obtains its total water requirements by pumping from underground aquifers which are rapidly being depleted through overdraft and water quality is deteriorating. This condition exists even though water from Hernandez Dam (18,00 acre feet), Pacheco Dam (6,000 acre feet) and all treated waste water from Hollister and San Juan Bautista is being percolated into the underground.

Water use is increasing within the zone of benefit. Population has increased by 33% during the last 10 years according to the 1980 census with many new households. Agriculture is consuming more water through increasing production of intensive crops. Crops with a high water requirement such as garlic, lettuce, onions, bell peppers, tomatoes, vegetable and flower seeds are replacing pears, prunes and walnuts.

The declining water table and the intrusion of water bearing toxic quantities of boron and chlorides have already caused a change of 13,000 acres of high quality land to low income, hazardous dry farming. These lands will be returned to intensive agriculture with the availability of high quality San Felipe water.

Land subsidence will be curtailed or perhaps eliminated by replenishing underground water storage through percolation of San Felipe water into stream beds. This stored water will be available for use in those years when San Felipe water may not be available in the required quantity.

San Felipe water will replace local municipal and industrial water which is below public health standards because of high chloride content.

The construction of the San Felipe Division will supply sorely needed jobs in San Benito County with an unemployment rate of 20.7% as of January 1982. The annual average unemployment rate for the 1981 year was 14.3%.

San Felipe water will be supplied directly to 19,700 acres under pressure sufficient for sprinkler irrigation. The pressure will be mostly provided by the head efficiently developed by large capacity pumps which will lift the water from San Luis Reservoir 250 feet to the Pacheco Tunnel entrance. Fire control will also be augmented by this pressurized water. The remainder of the water needs will be supplied by San Felipe and local runoff waters percolated into the underground through stream beds.

Bids have been called for on the first section of this distribution system. This section of the system consists of 14 miles of pipe varying in size from 6 inches to 30 inches. Included in the bid are water turnouts to approximately 120 users. The contract was awarded to Manuel G. Rodrigues Sewer Contractor, Inc. for a total of $1,724,908.05 dollars. A very attractive bid for this section of the distribution system.

The District feels that the time for receiving attractive bids is now and for the next couple of years. It is essential that appropriations for this P. L. 84-130 loan continue in an orderly manner and on schedule as it appears in the P. L. 84-130 loan application. The payback contract between the United States and the San Benito Water Conservation and Flood Control District calls for completion of the distribution system five years after the first monies become available. The first appropriation was for FY 80-81 which means we must complete the system by the end of 1985.

The people of Zone VI (the zone of benefit within the San Benito County Water Conservation and Flood Control District) through a plebiscite have overwhelmingly affirmed a contract with the Bureau of Reclamation to purchase water and to obligate themselves to borrow $19,900,000 through a Public Law 84-130 loan to construct the necessary distribution facilities.

The California Water Commission has endorsed and supports the request we have made for the 1982-83 budget.

San Benito County urgently requires supplemental water as soon as possible to maintain the quality of life of its citizens by insuring the stability of its major industry -- agriculture.

We earnestly request the Congress of the United States to appropriate $38,177,000 as established by the Bureau of Reclamation to finance proposed work on the San Felipe Division Project for the fiscal year 1982-83.

We also request the Congress to approve $7,250,000 as the third advance on an approved P.L. 84-130 loan to initiate construction of the San Benito County Water Conservation and Flood Control District Zone VI distribution system.

We thank the committee for granting us a hearing before you today.

Addendum: A report to the California Water Commission by its engineer Mr. Orville Abbott is attached to this statement.

SAN BENITO FLOOD CONTROL AND WATER
CONSERVATION DISTRICT P.L. 130 LOAN
SUMMARY

THE DISTRICT

The District includes all of San Benito County, California. The area to be benefited by the San Felipe Division of the Central Valley Project is in the northern part of the County. The benefited area includes the County's two largest cities, Hollister and San Juan Bautista.

The District was organized in 1953 by an act of the California Legislature.

LAND

Irrigable Area:
The distribution system to be built with funds from the loan requested in this application will benefit about 48,200 acres considered the project benefit area, either by direct delivery by assuring the groundwater supply due to reduction of pumping by others, or be percolation. Of this total, 38,326 acres are irrigable.

Agricultural Land Use:

Bureau of Reclamation, prepared for the Hollister Subarea in 1973, indicates the following percentage distribution of crops:

Field....................	4.4%
Forage...................	3.3%
Truck....................	38.7%
Fruit and Nuts...........	52.5%
Vineyards................	1.1%
TOTAL....................	100.0%

There has been, and continues to be, a rapid conversion of orchards to truck crops, primarily tomatoes.

Land Ownership:

There are several excess land owners in the area to be served directly by the distribution system. These ownerships are less than 1000 acres each and it is expected the owners will comply with excess land provisions to qualify for service from the system. Also, in the area benefited by percolation, there are few property owners with excess land.

Boron Area:

Several thousand acres, once highly productive, have been heavily affected by irrigation with the high boron groundwater existing in that particular area. This area is expected to be restored with the use of San Felipe Division water.

WATER

Ultimate Requirement and Supply, Acre-Feet per Year:

	Agri	M & I	Total
Ultimate Requirement	84,290	12,000	96,290
Groundwater Yield (Without San Felipe Percolation)		53,750	
Groundwater Overdraft		360	
Cienega Valley Import		570	
San Felipe Supply		43,800	
San Felipe Losses		2,190	
Ultimate Supply			96,290

Quality:

The groundwater in an area of about 5,700 acres has boron of a greater concentration than 1.5 parts per million. This is the maximum level considered acceptable for agriculture in the area. The groundwater in the rest of the project benefit area varies in quality, but is generally considered acceptable for agriculture. Presently, groundwater is the sole source for M & I use, although hardness is a deficiency. Total dissolved solids are about 600 parts per million, with carbonates as high as 350.

PHYSICAL PLAN

Purpose:

The District plans to distribute water received from the Bureau of Reclamation, San Felipe Division of the Central Valley Project, so as to benefit 48,200 acres including the cities of Hollister and San Juan Bautista. This benefit will be accomplished in some areas by direct distribution, in some areas by groundwater pumping reduction in or adjacent to the direct distribution area, and in some areas by percolation of San Felipe water.

Federal Facilities:

The Bureau of Reclamation will deliver water through the Hollister Conduit. This pipeline will be 19 miles long, beginning near the end of the westerly terminous of the Pacheco Tunnel and pipeline conveying water from the San Luis Reservoir. Water will be stored in the off season in the proposed San Justo Reservoir, with a capacity of 9,700 acre-feet.

District Facilities:

Planned is a closed pipe distribution system capable of delivering agricultural water at 60 pounds per square inch to about 20,000 acres with provisions to expand to an additional 2700 acres, and capable of delivering raw water to the cities of Hollister and San Juan Bautista and to percolation points.

Agricultural Distribution:

Within the 20,000 acre distribution system area, a turnout will be provided for each parcel five acres or more in size. Water will be delivered at a minimum pressure of 60 pounds per square inch. Design flows provide for exclusive surface distribution in some areas and conjunctive use with groundwater in some areas.

Municipal Distribution:

One direct delivery point will be provided for Hollister and one for San Juan Bautista. The cities will provide treatment.

Cost:

With a 7.5% per year allowance for cost escalation, the total project capital cost is estimated to be $21,959,000. This is to be financed with a P. L. 84-130 loan of $19,900,000 and a District contribution of $2,059,000.

Schedule:

The distribution system is scheduled for completion in December, 1985 and the Federal facilities are scheduled for completion in January 1986, with full operation of the system during the 1986 irrigation season.

COSTS

Water Purchases:

The District's water service contract with the United States provides that initial prices will be $16.50 for agricultural water and $61.00 for municipal and industrial water. The contract provides for adjustments in these prices for cost changes beginning in 1991 and each five years thereafter.

Pumping Power Costs:

The District hopes to purchase electrical energy for its pumping stations from the United States, but the loan application is based on the assumption that the power will be purchased from the local public utility. The current rate calculates to $4.80 per acre-foot for direct delivered agricultural water, $3.10 per acre-foot for direct delivered municipal and industrial water, and $1.70 for percolated water.

Federal Facilities:

Bureau of Reclamation estimates of operation, maintenance, and replacement of the Federal facilities are $4.00 per acre-foot.

District Facilities:

The cost of operation, maintenance, and replacement of the District facilities, with the exception of electrical energy, is estimated to be $2.70 per acre-foot.

AGRICULTURAL PAYMENT CAPACITY

Bureau of Reclamation estimates the District's agricultural payment capacity to be $50.00 per acre-foot.

STATEMENT OF ROBERT J. FEENEY, MANAGER, GLIDE WATER DISTRICT, CALIFORNIA

SUMMARY

The Glide Water District is located in the Sacramento Valley in Glenn County, in Northern California. The District lies within the service area of the Central Valley Project Tehama-Colusa Canal. The Tehama-Colusa Canal is completed and District lands have been developed for irrigation. The District is requesting that $2,900,000 be included in the 1983 Fiscal Budget for their P.L. 84-130 Loan Application for engineering and initial construction of the distribution system to deliver water from the Tehama-Colusa Canal to a portion of District lands, Improvement District No. 1.

The Glide Water District is requesting that funds be included in the 1983 Fiscal Budget for their P.L. 84-130 Loan Application for construction of an underground pipeline irrigation distribution system. The estimated cost of the distribution system is $6,099,300, of which the District will provide $199,300, resulting in a loan amount of $5,900,000. The District requests $2,900,000 for Fiscal 1983 and $3,000,000 for Fiscal 1984. The loan funds would be repaid over a thirty year period.

The distribution system is required to deliver Tehama-Colusa Canal water to landowners within the District's Improvement District No. 1, which is comprised of 4,900 irrigable acres.

The District feels the distribution system is a continuation of the Tehama-Colusa Canal project, enabling water to be delivered to lands that have been prepared for irriqaiton. The District is in a position to start using and paying for water which the Tehama-Colusa Canal was built to deliver. If the distribution system is not constructed it will be detrimental to the landowners who went to considerable expense to develop their lands for irrigation and to the U.S. Bureau of Reclamation which must generate revenue via water sales to repay the cost of the Tehama-Colusa Canal facilities. The District had requested loan funds for the distribution system in Fiscal 1982, but because of the budgetary situation funds were not approved.

The District requests the committee approve $2,900,000 for the Fiscal Year 1983 Budget for this project. We greatly appreciate the help the committee has provided in development of the Central Valley Project and especially the Tehama-Colusa Canal which is vital to our area.

STATEMENT OF DOUGLAS WALTZ, CHAIRMAN, BOARD OF DIRECTORS, YUBA COUNTY (CALIF.) WATER AGENCY

The Yuba County Water Agency is seeking a Federal Loan under PL84-984 to build the South County Irrigation Project. In order to initiate the project the Agency requests that the amount of $2,600,000 be included in the Federal Budget for fiscal year 1983. The funds will be entirely repaid from project revenues.

Proposals to provide Yuba River water to south Yuba County were developed as early as 1954. A diversion dam and canal system were included as part of the Agency's New Bullards Bar Project, which began operation in 1969. The Agency holds the permits for the water which will be supplied from storage in New Bullards Bar Reservoir. However, lack of available funds caused deletion of the South County Irrigation facilities from the first stage hydroelectric and irrigation project.

Agricultural activity in the south County has continued despite the lack of surface water. The continuing development has caused ground water levels to drop nearly eighty feet during the past sixty years. Current overdrafts result in lowering ground water levels an average of more than four feet per year. If the rapidly declining supply of ground water is not replaced with surface water, production of agricultural products must be reduced because new exploration has exposed non-water bearing strata or evidence of salt water intrusion. Rice, one of the United States's most important export crops, will be the principal crop affected by the production loss.

All of the water to the south County will be distributed on a partnership basis, utilizing the facilities of Wheatland Water District, South Yuba Water District and Brophy Water District. The additional 104,500 acre feet of irrigation water that will be provided annually by this project is only sufficient to balance the present overdraft which now occurs. By stablizing the water level and reducing the dependence on pumps, the project will save eight million kilowatt hours of energy per year.

An additional 13,400 acre feet will also become available for domestic use at Beale AFB and to two nearby developed communities, served by Linda County Water District and Olivehurst Public Utility District and having a combined total permanent population of 28,000.

Portions of the service area are now experiencing ground water quality problems.

The final application for the loan was submitted in July 1980 and has been processed through the Regional Office of the Department of Interior, Water and Power Resources Service. The application is now in the Commissioner's office in Washington, D.C. The rate of repayment has been set to utilize the maximum payment capacity of the water users.

Mitigation measures will be provided to compensate for the loss of fish and wildlife habitat.

A summary of the most important features of the project are listed below:

- Diversion structure on the Yuba River, consisting of an inlet structure, tunnel and fish screen/return system.
- Concrete lined 500 cfs, 5.7 mile main canal from the diversion structure to a bifurcation structure at the north boundary of Beale Air Force Base.
- Concrete lined 400 cfs reducing to 150 cfs, 16.2 mile Beale canal across Beale AFB then along its southern boundary and South Beale Road to the intersection of South Beale Road and Highway 65. This canal would serve the South Yuba and Wheatland Water Districts.
- Concrete lined 250 cfs reducing to 200 cfs, 4.8 mile West Branch canal along the north boundary of Beale AFB to the western tip of Beale to the North Beale Road. This canal would serve lands in the Brophy Water District and convey water for municipal users.
- Approximately 57 miles of distribution system canals to be operated by the participating districts, and serving a gross area of about 40,000 acres.

The California Water Commission unanimously supported the project which is scheduled to be funded as follows:

Fiscal Year 1983	$2,600,000
Fiscal Year 1984	$6,400,000
Fiscal Year 1985	$12,600,000

The Yuba County Water Agency acknowledges its obligation to raise its matching share of the funds, $6,636,000, and respectfully requests formal action by your Sub-Committee to authorize the Federal appropriation.

Statement of C. Tobias Johnson, Chairman, Sacramento County (Calif.) Board of Supervisors

On March 25, 1982 your Committee has scheduled hearings on the Corps of Engineers' flood control projects in California.

I am writing to you as a member of the Sacramento County Board of Supervisors to request your help in securing funding in the 1982-83 Fiscal Year Budget for continuation of Phase I studies for the U.S. Army Corps of Engineers' Morrison Creek Stream Group Project. The President's budget provides $525,000 for the Phase I studies, yet the budget need of the Corps of Engineers for Fiscal Year 1982-83 is $700,000. I have been informed the full $700,000 is required to assure timely completion of the studies and to maintain the time schedule projected for the study.

I am enclosing a copy of the California Water Commission's preliminary recommendation supporting the budget figure and a copy of the Water Commission's Morrison Creek Project Committee's report which supported an appropriation of $750,000 for the Fiscal Year 1982-83.

The southern portion of Sacramento County within the Morrison Creek Basin has been targeted for extensive urban expansion and presently has such existing developments as Southgate and Florin Mall shopping centers, the Parkway Estates residential community, the U.S. Army Signal Depot and numerous diverse light industrial developments. During the current 1981-82 winter months, the Morrison Creek Basin was subject to widespread flooding, and roads throughout the area were flooded and closed for several days during January and February. Several roadways were damaged from fast-flowing water rushing over them and a bridge was washed out. In addition, several hundred acres of private property were flooded and many private homes and business operations suffered severe damage from the high water.

A preliminary estimate by the U.S. Corps of Engineers has projected a return interval of 15 to 20 years for a storm of this intensity and a 50 or 100 year storm could cause damage and devastation of immeasurable magnitude.

The Corps of Engineers rates the Morrison Creek Stream Group Project as a top priority for the Sacramento District. The people of Sacramento County would appreciate your assistance in furthuring budget legislation to complete the Phase I studies.

Thank you for your support.

Letter From Scott E. Franklin, Chairperson, California Water Commission

September 30, 1981

Honorable Illa Collin, Chairwoman
Board of Supervisors
County of Sacramento

Dear Illa:

The California Water Commission adopted a Committee report recommending support for an appropriation of $750,000 as its preliminary FY 1982-83 recommendations for the Morrison Creek Flood Control Project. A copy of the report is attached.

This action was taken at the September 17, 1981 meeting held in Sacramento.

We thank you for your interest in this project and are appreciative that a representative was present to provide us with your views.

Sincerely,

Scott E. Franklin
Chairperson

MEMORANDUM FROM CALIFORNIA WATER COMMISSION

To : Water Commission Members

Date : September 16, 1981

File No.:

Subject: Morrison Creek Flood Control Project

CALIFORNIA WATER COMMISSION
From : Department of Water Resources

On September 11, 1981, Charlene Orszag met with representatives of Sacramento County, City of Sacramento, U. S. Army Corps of Engineers and State Departments of Water Resources, Fish and Game, to review the status of the Morrison Creek Flood Control Project. The Committee was briefed on the project features, the extent of authorized studies, studies conducted to date, and cost data.

Following the briefing, the group toured segments of the Morrison Creek Project site, which included the lower end of the project where Morrison Creek enters the Beach Lake area, the flood retardation basin, the Laguna Creek drainage and the residential and commercial developed areas along Parkway Estates and the Southgate Shopping Center.

History:

The Morrison Creek Stream Group project was authorized for Phase I studies by the Congress in 1976. Congress made funds available to begin preconstruction planning in the Energy and Water Development Appropriation Act of 1980. Studies were begun on October 1, 1979, and consisted of the following: preparation of a plan of study to define the direction, costs, and schedule for future studies; initial flood plain delineation and inventory for future economic studies; aerial surveys and mapping of the drainage basin for various uses, including channel cross section determinations; installation and monitoring of stream flows gaging stations for future hydrologic evaluations; and extensive coordination with federal, state, and local concerns, including preparation of the December 7, 1979 Notice of Initiation of Study.

Authorized Studies -- Extensive development has occurred within the project area and views have changed regarding acceptable flood control measures since the feasibility study was completed in 1972. According to the Corps of Engineers, it will be necessary to review and evaluate components of the authorized plan of improvement for compatibility with current development and public opinion. Current authorized studies are limited to the Phase I Advance Engineering and Design (AE&D) stage of preconstruction planning. During Phase I studies, previous findings will be reevaluated in light of current conditions, alternatives to the authorized project will be identified and examined, additional studies of project effects will be performed, and a project plan will be selected for submittal to the Congress for authorization to proceed with detailed design (Phase II AE&D) studies and construction. Phase I studies will be described in a General Design Memorandum (Phase I GDM) and an Environmental Impact Statement (EIS).

Studies Conducted to Date -- A plan of study was prepared in FY 80. It outlines the different investigations and surveys that will be accomplished. These include hydrology, economics, water quality, fish and wildlife concerns, recreation and water supply.

Plan of Protection: -- The local protection project, as shown on the attached map, consists of the following features: A reservoir located on Elder and Laguna Creeks; a diversion facility to convey Morrison Creek flood flows into the reservoir; downstream levee and channel work, including a leveed floodway from the Western Pacific Railroad to Interstate Highway 5 and a pumping installation to control local drainage in the Beach Lake area south of the floodway;

purchase of lands in fee from Interstate Highway 5 to the Southern Pacific Railroad, north of Lambert Road, for a flood retardation basin/National Wildlife Refuse; and acquisition of minimum flowage easements on a portion of the land bounded by Interstate Highway 5, the Western Pacific Railroad, Lambert Road, and Elliot Ranch Road. The project will provide for flood control in association with general recreation opportunity and fish and wildlife enhancement.

Funding Status:

The Phase I study cost is estimated at $3 million. In FY 79-80, $300,000 was appropriated. No funds were included in the President's budget for continuation of Phase I studies in fiscal year 1980-81. There is $650,000 in the President's Budget for FY 1981-82. The House has appropriated $650,000. Based on timely receipt of funds from Congress, Phase I studies could be completed in 1986, on the following schedule:

FY 83	$700,000	Complete hydrology report, wrap up of other studies and project alternatives.
FY 84	$600,000	Draft feasibility and EIS reports and go to public hearing.
FY 85	$375,000	Finalize report
FY 86	$375,000	Complete report

State Agency Comments:

The Department of Fish and Game is satisfied with the fish and wildlife mitigation program.

The Department of Water Resources supports completing the study to evaluate non-structural measures for the project.

Local Agency Comments:

The City and County of Sacramento support completion of the investigation. The financing of a feasible project at a later date will await an evaluation at a later date.

Each jurisdiction has stringent flood plain zoning regulations. The County of Sacramento is working on non-structural measures for flood control at the lower end of Laguna Creek. The area will be maintained as open space land with no development. The County has also reserved a large portion of rights-of-way needed for the proposed project through easements already acquired.

Comments:

The Committee reviewed Corps criteria by which the Corp. determines whether a flood control investigation is, or is not, within its authority and responsibility.

The Corps of Engineers uses the 800 cubic feet per second rule as a general criteria to determine whether a project is considered local drainage or a flood control project. The maximum flows in Morrison Creek have been projected at 13,000 cfs, well within the Corps responsibility. This flow will be verified by additional hydrology studies.

Morrison Creek will provide flood protection to a rapidly developing urban area in the southern Sacramento metropolitan area. The Corps rates the project as within the high priority group in the Sacramento District.

The City of Sacramento and the County of Sacramento both participate in the federal flood insurance program. Both governmental agencies enforce the provisions of that law and the Committee urges them to continue to strongly enforce the provisions of the law when approving development in Morrison Creek basin.

It has come to the attention of the Committee that the Corps of Engineers and FEMA, the Federal Emergency Management Agency, use different criteria in determining flood hazard areas. The studies upon which the Flood Insurance Rate Map flood hazard area determinations are made is based upon a 100-year flood generated within a watershed under existing conditions of development. Rapidly developing urban areas using such a basis for hydrology will experience continued and increased flood damages in the future when upstream development causes greater peak flood flows.

The Corps of Engineers, in determining flood hazard areas, assumes future development of the upstream watershed using general plans developed by the local agencies. Such criteria is probably more realistic in a rapidly developing urban area. It results in a determination by the Corps that a larger area will be subject to flood hazard than the same determination by FEMA.

One of the reasons the City and the County need the Morrison Creek flood control investigation is to determine the differences in the flood hazard areas as determined by the Corps and as previously determined by FEMA.

This information will make it possible for each agency to require measures that will prevent future flood damages caused by higher peak flows resulting from future development in the upper Morrison Creek.

Recommendations:

The Committee recommends that the Commission support an appropriation of $750,000 in FY 1982-83.

STATEMENT OF ROBERT F. BEACH, GENERAL MANAGER, SONOMA COUNTY (CALIF.) WATER AGENCY

Mr. Chairman and Members of the Subcommittee -- I am Robert F. Beach, General Manager of the Sonoma County Water Agency (State of California). My comments today are directed to the $12.3 million included in President Reagan's proposed budget for the Warm Springs Dam - Lake Sonoma Project in Sonoma County, California. We request that the subcommittee support a level of funding that will permit the commencement of filling Lake Sonoma in November of 1983.

The following tabulation lists the amount of funds included in the President's budget, the additional capability of the U. S. Army Corps of Engineers, and the total capability of the Corps of Engineers, broken down by category of expense, for the Warm Springs Dam Project in fiscal year 1983.

(all sums expressed in thousands of dollars)

Category	Budget	Additional Capability	Total Capability
lands	$ 100	$ 400	$ 500
relocations	4,550	10,700	15,250
reservoir		650	650
dam	5,550	5,200	10,700
fish & wildlife		200	200
fire roads		800	800
recreation	-0-	-0-	-0-
bank stabilization	400	800	1,200
cultural resources	280		280
buildings, grounds & utilities		500	500
permanent operating equipment		400	400
engineering & design	1,000	750	1,750
supervision & administration	470	1,000	1,470
	$12,300	$21,400	$33,700

The total federal expenditure for this project as of September 30, 1981, was $229,287,000. The estimated local share of project costs including interest during construction is $95,102,000. No obligation for the commencement of repayment of the local share of project costs can arise until the project is operational for water supply. The project cannot be certified as operational for water supply until the dam embankment is completed and the roads which will be inundated are relocated. Meanwhile the federal government is financing $95,102,000 at current interest rates. It is clearly in the economic interest of the federal government to complete the elements of this project upon which certification of availability for water supply is dependent. To accomplish this the Corps of Engineers has indicated an additional capability of $10,700,000 for road relocations and $5,200,000 for the dam embankment in the 1983 fiscal year. It is therefore requested that the subcommittee support an appropriation of $28,200,000 for this project.

Not only would this level of funding be in the long term economic interests of the federal government, but it would permit the $229,287,000 of sunk project costs to finally yield the benefits of flood control, water supply and recreation originally envisioned from this project.

The Warm Springs Dam - Lake Sonoma Project is essential to meet the municipal and industrial water supply needs of Mendocino, Sonoma and Marin Counties. We appreciate the support this project has received from this subcommittee over the years and look forward with great anticipation to the closing of the outlet gates.

STATEMENT OF B. J. SKLADANY, JR., EAST HIGHLANDS RANCH, INC., CALIFORNIA

East Highlands Ranch, Inc., is a Mobil Corporation affiliate that owns a property of approximately 1,750 acres in the East Highlands area of San Bernardino County, California. A preliminary development plan, incorporating some 3,800 new homes, with supporting commercial and industrial uses on the property, is being processed by the County.

East Highlands Ranch, Inc., supports the appropriation request of $3,400,000 in the 1982-3 fiscal year Federal Flood Control Program Budget for continuation of the Santa Ana River Main Stem Flood Control Project, Phase I Studies. We recognize that an early solution to flood control of the Santa Ana River is essential for the protection of life and property.

Due to the fact that our property would lie adjacent to, and be severely impacted by, the proposed Mentone Dam element of the All-River Plan, we have taken a special interest in the studies conducted by the U. S. Army Corps of Engineers that led to Mentone Dam being recommended.

Our conclusions and consequent opinions are as follows:

1. We echo the concerns expressed by the San Bernardino Valley Municipal Water District, East San Bernardino County Water District, and other

local water agencies, that the proposed siting of Mentone Dam would have an irreversible adverse impact on the local, valuable groundwater basin. Future planned cutbacks in water supplies to Southern California on the Colorado River and the sensitivities associated with the State's Peripheral Canal proposal make it imperative that the integrity of the local spreading basins is preserved. Any water lost will eventually have to be replaced with expensive imported water which, in turn, will necessitate increased pumping of State Project water. We respectfully ask that resolution of this issue be made a condition of eventual approval of Mentone Dam. It is not, however, our intent to suggest that other elements of the All-River Plan should be delayed, only that the siting of Mentone Dam be re-evaluated and alternatives to the Dam be considered.

2. We believe that design of the Mentone Dam is not nearly as complete as the drawings in the Corps' Phase I Report imply. Due to the need to design safely to counter severe seismic risk resulting from proximity to the San Andreas and San Jacinto fault zones, the potential for major cost overrun is, in our view, high. Even in the existing studies, the estimated cost-benefit ratio of the Mentone Dam element alone, which represents 40% of total project costs, is less than 1:1. For these reasons, we believe the need to search for a more economically viable alternative to Mentone Dam is demonstrated.

3. We endorse the position stated in a Resolution of the County of San Bernardino expressing support for continued studies of the Mentone Dam - this Resolution has been submitted to the House and Senate Sub-Committees and forms part of the Record.

STATEMENT OF TWYLA THOMPSON, PRESIDENT, SACRAMENTO VALLEY WESTSIDE CANAL ASSOCIATION

SUMMARY

The Sacramento Valley Westside Canal Association supports and respectfully requests FY 82/83 appropriations for financing the following:

Item	Amount, $1,000
Tehama-Colusa Canal Services Area	
1. Tehama-Colusa Canal	5,753
2. Tehama-Colusa Canal Distribution System	2,274
3. Tehama-Colusa Canal Fish Facility	200
4. Permanent Operating Facilities	1,710
5. Loans to Districts	
- Glen-Colusa Irrigation District	9,901
- Yolo-Zamora Water District	200
- Colusa County Water District	900
- Glide Water District	2,975
6. Corning Canal Relift Pumps, Safety Fencing	1,919
7. Orland Project	720
Federal Central Valley Project/State Water Project	
1. Shasta Dam Enlargement	1,070
2. Auburn Dam and Reservoir	1,597
3. Delta Support Studies	1,352
4. Cottonwood Creek	3,200

Traditionally, at this time during the past several years, this "Farm Lady" from Yolo County would trek to Washington to express the support of the Sacramento Valley Westside Canal Association (Association) for appropriations for authorized and ongoing water resource works in the Sacramento Valley, California. This year however, in keeping with this administrations austerity policy, I will not be traveling to Washington to present the Association's support for appropriations.

My not being present personally, however, should in no way imply a lessening of interest or a change in attitude on the part of the Association for important water resource projects. Quite the contrary. The interest and support for the FY 82/83 appropriations as summarized in the Association's Statement is much greater today. The facilities and investigations are essential not only to facilitate proper management of our land and water resources in the Sacramento Valley, but will aid substantially in management of water for California as a whole.

The Association's interest and support for the appropriation is well represented by Congressman Fazio. He truly appreciates the situation in our area and will speak in our behalf.

In summary, the Association supports and respectfully requests FY 82/83 appropriations for financing the projects summarized on the Association's Statement. Completion of the Tehama-Colusa Canal and the systems for distribution of water throughout the authorized service area is paramount. The inclusion of Oats Reservoir at the terminus of the Tehama-Colusa Canal is worthy of consideration to facilitate better water management along the system, as well as to avoid aggravating a drainage situation along the Colusa Basin Drain east of the Tehama-Colusa Canal service area.

We appreciate your attention and consideration of the Association's requests.

COLUMBIA BASIN PROJECT

STATEMENT OF WISTAR M. BURGESS, PRESIDENT, COLUMBIA BASIN DEVELOPMENT LEAGUE

ACCOMPANIED BY EARL TERWILLEGER, DIRECTOR, EAST COLUMBIA BASIN IRRIGATION DISTRICT

Senator JOHNSTON. Is Mr. Burgess here?

Mr. BURGESS. I am Wistar Burgess, president of the Columbia Basin Development League.

Our organization is made up of people that are interested in the continued development of our resources of water and land.

We wish to support the budget, the President's budget for the development of the project, and we realize it is a minimum amount, and we want to work with the work already underway, without reason to support each line item and the total budget request.

I would like to mention in regard to this, we have spent 3 days here visiting with Government officials, our Congressmen and Senators, in regard to not only the budget, but concerns we have about the development and legislation in that regard.

BLOCK 26 LATERALS

I just want to emphasize a few things very quickly. You have our written testimony, together with supporting statements, and it is on record, but I want to emphasize the importance of continuing the funding for block 26 which includes initial construction for the lateral water delivery system. The major facilities for block 26 have already been constructed in large part. By finishing up this most economical construction, the 14,000 acres of this part of the project can begin to repay and be productive during the terms of the repayment contract and for the future years.

In summary, we fully support the fiscal year 1983 budget and we respectfully ask your support and approval.

We thank you for hearing us today and for your cooperation and courtesies in the past years and for working for the completed development of this Columbia Basin project.

I would like at this time to introduce my colleague, Mr. Earl Terwilleger, who is director of the East Columbia Irrigation District.

Mr. TERWILLEGER. Mr. Chairman, I am Earl Terwilleger, and I will just make this as short as I possibly can. I will point out a few things here to you.

Block 26 is very important to us. These people waited a long time for their land, some of their land has been put up at what they call low land. Some of the farmers had wet land, and they have the right to draw off this land and pay for it to the Government. We would like this to continue.

The work on the second half of our project has been—some of these people have been in the project many many years and they have given up some of the time by going ahead and drilling wells. Some of these wells—they are all deep wells—but some of these wells are pumping saltwater onto the land and some is being lost through water capability, and the main thing hurting is the power there, the price of power.

And I will close on that because I know you are very busy and I appreciate the time. If you have any questions I will be glad to answer them.

Thank you.

POWER COSTS

Senator JOHNSTON. Thank you. We appreciate your appearance here today and we are also familiar with the power problem. I understand that the price of power has gone up fivefold in the last year.

Mr. BURGESS. Yes; we are having a problem with some of our powerplants, but if you will permit me, this budget provides over half for the completion of the powerplant on the Columbia River, and that is essential because that is cheap power, and this is proposed by the President to include a substantial amount.

Senator JOHNSTON. Thank you, gentlemen.

[The statement follows:]

STATEMENT OF WISTAR M. BURGESS, PRESIDENT, COLUMBIA BASIN DEVELOPMENT LEAGUE

DEPARTMENT OF THE INTERIOR PROGRAM
for the
BUREAU OF RECLAMATION

WASHINGTON

Columbia Basin Project

Major Items	FY 1983 Appropriation
Irrigation Facilities:	
Grand Coulee Pumping/Generating Plant Units P/G 9, 10, 11, and 12......................	$ 2,587,000
Block 26 Laterals..................................	7,450,000
Fish and Wildlife Facilities.......................	745,000
Drainage Construction..............................	5,649,000
Deferred and Supplemental Construction.............	1,348,000
Deferred and Bypassed Lands........................	500,000
East High Canal Irrigation System..................	500,000
Total - Irrigation Facilities............	$ 18,779,000
Third Powerplant:	
Third Powerplant (Riverbank Stabilization Program and Clean-up Activities).............................	$ 28,898,000
Third Powerplant Switchyard (Electrical Modifications)	2,653,000
Visitor Facilities.................................	49,000
Total - Third Powerplant.................	$ 31,600,000
Grand Total - Columbia Basin Project.....	$ 50,379,000

This budget will continue the Project work already underway.

The operations and maintenance work will be kept on a current basis.

We have reviewed the request and find these to be Direct Program Costs. For that reason we support each line item and the total budget request.

Funds for FY 83 will provide for completion of the reversible pump/turbines in Power Generators 9 - 10-11-12 at Grand Coulee Pumping/Generating Plant. Also being completed will be the Franklin D. Roosevelt fish study conducted by the U.S. Fish and Wildlife Service.

The amounts included for Deferred and Bypassed Lands and East High Canal System will be for preconstruction work. Funds for construction of those facilities are not required in FY 83.

The amounts budgeted for drainage construction are very well advised as this type of maintenance will preserve the integrity of the reclamation project by keeping the lands productive during the terms of the repayment contract and for the future years.

The funding for Block 26 includes initial construction for the lateral water delivery system. The major facilities for Block 26 have already been constructed in large part. By finishing up this most economical construction the 14,000 acres of this part of the project can begin to repay and be productive to the general economy.

The proposed funding plan will enable calls for bids for construction in July 1982 with contract awards in October 1982. The test year for water delivery in Block 26 would be 1984 if all parties keep their obligations current within the time frames agreed upon at this time.

The land owners in Block 26 have waited many years for development of their lands and any delays now would be counter productive. The fulfillment of a longstanding promise by the USBR will be done in Block 26 if construction is allowed to proceed as now planned at the Columbia Basin Project FY 83 request.

In summary - the directors of the Columbia Basin Project fullu support the Fiscal Year 1983 Budget and proposed appropriations. We respectfully ask your support and approval.

We thank you for hearing us today and for your cooperation and courtesies in the past years and for working for the completed development of this Columbia Basin Project.

STATEMENT OF RUSSELL D. SMITH, SECRETARY-MANAGER, SOUTH COLUMBIA BASIN IRRIGATION DISTRICT, WASHINGTON

On behalf of the Board of Directors of the South Columbia Basin Irrigation District, I am pleased to inform you that we support the President's Budget as it relates to energy and irrigation development on the Columbia Basin Project for F.Y. 1983. We particularly support those items budgeted for:

a. The Grand Coulee Pumping and Generating Unit Nos. P/G 9, 10, 11 and 12;

b. Irrigation Block 26 Laterals; and

c. Drainage Construction.

Irrigation Block 26 lands are owned primarily by those whose lands in other parts of the Project were found undesirable to develop or infeasible to drain and were exchanged or were allowed to purchase U. S.-owned lands in Block 26 in lieu of drainage construction. The U. S.-owned lands were either exchanged or sold with the promise that irrigation water would be available in the near future.

On behalf of the Board of Directors and the landowners of this District, I thank you for your past cooperation and courtesies and look forward to the ultimate completion of the 1,029,000-acre Columbia Basin Project as originally authorized and reauthorized by the Congress almost forty-seven years ago.

STATEMENT OF W. G. LEFLER, PRESIDENT, BOARD OF DIRECTORS, QUINCY-COLUMBIA BASIN (WASH.) IRRIGATION DISTRICT

The Quincy-Columbia Basin Irrigation District welcomes this opportunity to present to your committee its comments relating to the proposed budget for the Columbia Basin Project for Fiscal Year 1983.

The Quincy District is one of the three irrigation districts comprising the Columbia Basin Project, the other two districts being the South and East Irrigation Districts. Presently, approximately 550,000 acres of Project lands are being irrigated by virtue of irrigation facilities constructed by the United States under the provisions and authority of the Reclamation Act of 1939. The annual operation and maintenance costs of the Project are paid by the Project irrigation districts.

The Directors are pleased to note that the proposed 1983 Budget includes $2,587,000 for the pumpback storage units at the Grand Coulee Pumping/Generating Plant. In addition thereto, the Directors have noted the proposed appropriation of $31,600,000 for the Third Power Plant at Grand Coulee Dam. In view of the shortage of energy in the region, these expenditures most certainly constitute an economic beneficial investment by the United States. In our opinion, the investment of the United States for the production of power, as evidenced by the original investment in Grand Coulee Dam, will be returned many-fold to the United States.

The Directors have also noted with approval the amounts budgeted for drainage construction and for deferred and supplemental construction. In view of the prior investment by the federal government in the Columbia Basin Project, this type of expenditure is well-advised and is most certainly needed to preserve the integrity of the irrigation system so that the lands within the Project remain capable of continued irrigation during the term of the repayment contract period.

The Directors are also pleased with the appropriations for the purpose of constructing laterals to serve Irrigation Block 26. The landowners of that irrigation block have been patiently awaiting development of their lands for many years and most of the major facilities to serve Block 26 have heretofore been constructed. Irrigation Block 26 will be one of the most economical irrigation blocks in the project, and its completion is important and beneficial to the continued development of the Project.

To summarize, the Directors of the Quincy District fully support the Fiscal Year 1983 proposed appropriations for the Columbia Basin Project and respectfully request your support in approving the proposed budget.

STATEMENT OF C. D. BAILEY, SECRETARY-MANAGER, EAST COLUMBIA BASIN IRRIGATION DISTRICT

The East Columbia Basin Irrigation District supports the President's Budget for the Columbia Project for F.4 1983. The appropriation of funds for construction of laterals in Block 26 is very gratifying. The owners of land in that area will finally have their patience rewarded and an old promise by the U.S. Government will be fulfilled. The completion of Block 26 is very important in many ways to that area of the Columbia Basin Project and we applaud its construction.

The drainage program that is conducted by the Bureau of Reclamation within the Project is well handled and necessary and we approve of the funds appropriated so that it can continue at its present pace. While it is a small amount, we are happy to see money appropriated for the East High Canal system. It is necessary to complete the Environmental Impact Statement and contract negotiations so that completion of the second half of the Columbia Basin Project can be accomplished in a timely manner. Farmers in the East High area became tired of waiting for development quite a number of years back and resorted to drilling wells to irrigate their lands. Over 125,000 acres are presently being irrigated from this source but diminishing water tables, higher energy costs and now sodium in the well water is creating a salinity problem on many of the acres. These farmers are facing a true hardship and development of the East High area is the only solution for them.

We appreciate the Committee's support and the opportunity given us to present this testimony.

SUBCOMMITTEE RECESS

Senator JOHNSTON. If there is no one else that wishes to testify, the committee will stand in recess until Monday at 2 p.m. in room 1114.

[Whereupon, at 3:45 p.m. Thursday, March 25, the subcommittee was recessed to reconvene at 2 p.m. Monday, March 29.]

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS FOR FISCAL YEAR 1983

MONDAY, MARCH 29, 1982

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 2 p.m. in room 1114, Everett McKinley Dirksen Senate Office Building, Hon. Thad Cochran presiding.

Present: Senators Cochran, Mattingly, and Stennis.

NONDEPARTMENTAL WITNESSES

OPENING REMARKS

Senator COCHRAN. The subcommittee will please come to order.

In the absence of the chairman of the subcommittee and our full committee, Mark Hatfield, I have been asked, as a member of the subcommittee, to preside over today's session. Senator Hatfield expresses his regrets that he cannot be here this afternoon.

We have a large number of witnesses to be heard today. In accordance with the notification to each, we would like for you, if you could, to exercise some self-constraint in presenting your oral testimony, holding it to a minimum, in order that all of us who are here and want to testify today will have an opportunity to be heard.

We want to remind you that we will make as a part of the record all of your written testimony and statements that you may have submitted to the committee. They will, of course, appear in our hearing in full and be reviewed very carefully and given great weight by the members of the subcommittee.

INTRODUCTION OF WITNESSES

We are glad to be able to welcome to the subcommittee Congressman Richard Shelby of Alabama, who is here with us. We also are very pleased to express a special word of welcome to the Lieutenant Governor of Kentucky, Martha Layne Collins, who is here representing Governor Brown.

We know that Governor Winter of Mississippi, Governor James of Alabama, and Governor Alexander of Tennessee are also here in Washington today. We understand that they may be able to come by the subcommittee a little later.

We will, of course, at that time be glad to hear from them when they are here and any other Members of the House or the Senate who may want to testify before the subcommittee today, will, of course, be welcome.

TENNESSEE-TOMBIGBEE WATERWAY

STATEMENT OF HON. THAD COCHRAN, U.S. SENATOR FROM MISSISSIPPI

Glover Wilkins, our friend from Columbus, Miss., is here. We will ask him to introduce other witnesses at the appropriate time in our subcommittee hearing. The subject of our hearing today is, as I supposed you have heard by now, the Tennessee-Tombigbee Waterway appropriation for the next fiscal year. We have a request that has been submitted to the Congress from the President to appropriate $186 million for construction to continue this project for the next fiscal year.

As many of you, I am sure, realize during the 9 years I have served here in the Congress, both in the House and in the Senate, I have been an enthusiastic supporter of the construction and ultimate completion of this project.

I have a very strong feeling that it is going to provide significant benefits as a part of our overall national transportation system and will have a great impact on the economic development of not only those States that are directly contiguous and near the waterway project, but on the entire United States.

EMPLOYMENT

I think one fact that is sometimes overlooked is that as a result of the construction and completion of this project, it is estimated that 145,000 jobs will be created.

We have a problem with high unemployment now throughout the country, and it is particularly severe in some of the areas near this waterway project.

In my judgment, the significance of the impact that this project will have in our effort to do something effective about unemployment is a matter that should be considered by this subcommittee.

Of course, the savings in transportation costs will mean savings to consumers, to shippers, and will help make U.S. products more competitive in overseas markets.

PROJECT STATUS

It is good to see the waterway nearing completion. Seventy-nine percent of the navigation facilities will be completed by the end of this fiscal year and, through fiscal year 1982, over $1.5 billion of the total cost of the $1.83 billion will have been committed to project construction.

It is good to know, too, in projecting the average annual benefits, that it is now estimated that those benefits, when the project is completed, will amount to $151 million. That is annual benefits.

There are many of you here who have come to testify and give the committee the benefit of your thoughts and observations about the appropriations request of the President for construction of this project.

With these remarks, I will place my prepared statement in the record.

[The statement follows:]

STATEMENT OF SENATOR COCHRAN

I appreciate the opportunity to again express my strong support for funding and continued development of the Tennessee-Tombigbee project. As the Tenn-Tom nears completion, its benefits to the inland navigation system and contributions to our national transportation system become more obvious.

Too often, the most outspoken opponents of further development of our inland navigation system have attempted to use the Tenn-Tom project at the focal point for their arguments against water development projects. In my view, the Tenn-Tom project has been maligned and misrepresented to the Congress and the public as part of this effort.

Tenn-Tom is an excellent example of what can be done in the public works area to improve the overall efficiency of our transportation system. Inland navigation provided by the completed Tennessee-Tombigbee Waterway will not only provide significant benefits to the region where it is located, but the project will contribute to competition in rates and the efficient movement of bulk commodities between competing modes of transportation.

Savings in transportation costs will mean savings to consumers, farmers, and coal shippers, and will help make U.S. products more competitive in world markets. If we are to see an improvement in our economy in the years ahead, such improvements will depend to a great extent on our investment in energy efficient transportation.

The Tennessee-Tombigbee Waterway is now nearing completion. Seventy-nine percent of the navigation facilities will be completed by the end of fiscal year 1982. Through fiscal year 1982, over $1.5 billion of the total cost of $1.83 billion will have been committed to project construction. It would be absurd, in my opinion, to even consider termination of the project or even delaying its completion at this stage of its development. After fiscal year 1983, the difference between the costs to complete and the costs to terminate construction will amount to $202 million. However, the average annual benefits that will be realized from the completed project will amount to $151 million. When these benefits are calculated over the 50-year life of the project, the so-called savings from termination pale in comparison.

I am confident that this committee will continue to support investment in the Tenn-Tom project in order that we will have a fully operational waterway at the earliest possible date.

STATEMENT OF HON. JOHN C. STENNIS, U.S. SENATOR FROM MISSISSIPPI

Senator COCHRAN. Before we proceed any further, I would like to recognize and commend at the same time my senior colleague and distinguished Senator, John Stennis, who is, of course, a member of this committee, and has worked very long and hard and in a dedicated and exemplary way to help assure the construction and ultimate completion of this project.

Senator Stennis?

Senator STENNIS. I thank you, Mr. Chairman.

I think this is really a historical meeting. We have not had an easy time, now, in view of the outside matters that are happening. We are not having an easy time in the Senate or the House, either, regarding this appropriation. Many of those that oppose it don't have any argument to make except just tear it up or tear it down and leave it lying there and to lose over a billion dollars that had already been spent on it. As ridiculous as it sounds, if you were here you would have heard the debate on the floor. Some would advocate just that, whereas the real points for it is the same thing that built all the rest of these water projects all over the country.

For 150 years, the Government has been carrying on this program of water resource development, and now it is safe to say that that work itself is worth 10 to 20 times or more of the cost. Where would we be without our water transportation system, our special flood control projects and facilities? We would still be an underdeveloped nation.

What we proposed and what you are backing is a capital investment. Two rivers down there—nature got crossed up somewhere and one was headed for the sea and one turned and went the other direction through Kentucky. This project will just bring then back together; that is the effect of it, to make it all into a waterway. It doesn't cost much money except that part where they cut through the divide. That is where the big money is.

The only low figures about it, I think, is the estimate on the benefits, the returns, that will far exceed what was a very careful estimate that was made in the beginning to be sure to justify the project and the support that is reflected here today, back at the areas where these projects are located, because they are the ones that know most about it. And not by any means will all the benefit come to them, but they know most about it and have had a chance to evaluate it.

They are the ones that are making the sacrifice that goes with it. Upon these records are what this committee has built many, many projects.

This one will finally prevail. I am going to forego other things that are on my mind except to say thank you for being here to show your support and interest in this national project.

I want to especially thank Senator Hatfield, who is chairman of our Appropriations Committee, and this subcommittee, too. He lives about as far from this project as you can get going west. He lives in faraway Oregon, and he is for Tennessee-Tombigbee 100 percent, because he has a mind that knows how to evaluate these matters. He has been a tower of strength, and will continue.

But I thank you for what you have said here in backing of this project. We have had backing from other Mississippians, Alabamians, Kentuckians, Floridians, Tennesseans, Louisianians, and all those that are familiar with it.

I think you have some new testimony here today. I am very much interested in hearing the truth.

That concludes my remarks.

Thank you, very much.

Senator COCHRAN. Thank you, Senator.

I would like to now express the subcommittee's welcome and appreciation to Governor William Winter of Mississippi for being here, and Gov. Lamar Alexander from Tennessee. We appreciate your coming to help the subcommittee in its effort to make a decision about the level of funding that this project should receive this year.

At this point, I think that we will recognize Congressman Richard Shelby for any comments or statement that you might have at this time.

STATEMENT OF HON. RICHARD. C. SHELBY, U.S. REPRESENTATIVE FROM ALABAMA

PREPARED STATEMENT

Mr. SHELBY. Thank you, Mr. Chairman, Senator Stennis, Governor Alexander, Governor Winter.

It is a privilege for me to be here. I do have a written statement, Mr. Chairman, on behalf of the Tennessee-Tombigbee, the Black-Warrior-Tombigbee, and also the Coosa-Alabama project. If I could just put those in the record without objection.

Senator COCHRAN. Of course. Without objection, the statement will be made a part of the record at this point.

[The statement follows:]

STATEMENT OF REPRESENTATIVE RICHARD C. SHELBY

TENNESSEE-TOMBIGBEE WATERWAY

Mr. Chairman, thank you for again giving me a chance to appear before you in support of the Tennessee-Tombigbee Waterway.

Construction of that portion of the Tenn-Tom which lies in my district in southwest Alabama is complete. By the end of this fiscal year (October 1, 1982), construction on the entire waterway should be 80-percent complete. Of the $1.83 billion Federal cost of the project, over $1.5 has been committed. President Reagan has requested $186 million for the project in fiscal year 1983. After this, only $343,905,000 will remain to complete the project.

More than 132 miles of the 232-mile navigation channel is virtually finished. Of that, 115 miles is already opened to limited navigation from Columbus, Miss., to Demopolis, Ala., where the waterway joins the existing Warrior-Tombigbee River system.

Coal and agricultural products are expected to be the major commodities moving down the waterway while chemicals and allied products and metallic ores are projected to comprise a majority of the commodities moving up the Tenn-Tom. Commerce on the waterway is expected to grow to 55 million tons well before the turn of the century with transportation cost savings reaching over $140 million annually.

However, the Tenn-Tom is much more than a navigation project. It is a regional economic development program for one of the most economically deprived sections of the Nation. A study done for the Appalachian Regional Commission projects that the Tenn-Tom will cause the creation of as many as 135,000 jobs in a 167-county section of Alabama, Kentucky, Mississippi, and Tennessee by the year 2000.

This projection is in addition to normal growth which is to occur. The shorter route to new markets, availability of cheap water transportation, and the energy situation will result in extensive development along the waterway. Studies have shown this development will be primarily new business, not industry relocating from another area of the Nation.

One excellent example of this is in Demopolis, Ala., which is in my district. The Bergeron Barge Co. has chosen this city to locate its multimillion dollar industry for the purpose of constructing steel river barges. According to William T. Bergeron, president, Demopolis was selected because of the attractive labor force, its strong belief in the work ethic, and development of the Tennessee-Tombigbee Waterway.

The Port of Mobile's economic value to Alabama will escalate upon completion of the Tenn-Tom and it will play a prominent role in the movement of goods to the estimated 20 States that will use the waterway. A number of experts, both in the United States and abroad, support the contention among many Alabama economists that the Port of Mobile is destined to become one of the major coal-handling ports in the world.

Mr. Chairman, it would be a tragic mistake, both economically and environmentally, to stop the Tennessee-tombigbee Waterway project today before the full benefits can be realized. I am committed to the concept of a balanced budget. However, I feel that this expenditure is not a waste of Government dollars; it is an investment in Alabama's and our Nation's future.

WARRIOR-TOMBIGBEE WATERWAY SYSTEM

I also appreciate the opportunity to testify on behalf of a project that is particularly close to me, the Warrior-Tombigbee Waterway system.

This particular river system travels right through the center of the 7th Congressional District as it makes its way from Birminghamport to Mobile on the Gulf of Mexico. Obviously this thoroughfare is of vital economic value to west Alabama and certainly holds the key to its economic future as an attractive spot for industrial locations.

Several thousand farmers from 21 Alabama and Mississippi counties ship their grain to Mobile for export via the waterway. In Alabama, as in the Nation, the largest cash crop is soy beans.

There are many other important commodities moving on the Warrior-Tombigbee Waterway, as well as the large amounts of coal, steel, and farm products. Various ores, crude and fuel oils, chemicals, aggregates, and wood products comprise the other major elements.

The operations and maintenance request by the Corps of Engineers is $7.8 million. However, that figure is some $3.5 million below the average amounts expended over the past 3 years; therefore, the funding request of the additional capability of $3.5 million brings the total operations and maintenance to $11.3 million.

I would like to point out that there have been very rapid increases in coal production in the uppermost region of the Warrior basin. Shipments can readily be doubled in the near future causing extreme positive impact. This growth, however, exacerbates the efficiency and reliability of the older and undersized William Bacon Oliver lock and dam, which is necessary for coal transportation.

I urge you to continue funding at the fullest possible extent of this vital State waterway project.

COOSA-ALABAMA RIVER SYSTEM

Finally, I would like to testify on behalf of the Alabama-Coosa River system, a system that has already meant much to the growth of Alabama and will continue to be one of the keys to future economic development of the State.

A total of $22,066,000 in operation and maintenance funds has been requested for fiscal year 1983 for upkeep and improvement of the system. These requests include $3,920,000 for the Alabama-Coosa River system as a whole, $2,882,000 for the Jones Bluff lock and dam, $3,497,000 for the Millers Ferry lock and dam, $6,027,000 for Mobile Harbor, $3,647,000 for Allatoona Lake, and $2,093,000 for the Carters Lake navigation project.

Surveys totaling $1.6 million have been requested. The first survey at Dalton Lake, Dalton, Ga., on the headwaters of the Coosa, would provide information on needed storage water to maintain navigation depths on the lower Alabama River. The second survey at the Mobile Harbor is needed to see if it is feasible to take deep-draft ships. The third survey is to study the Alabama River below Claiborne, Ga.

A special feature of this year's request is $10.5 million for studying engineering and design on the Coosa River navigation project.

This waterway project is a solid investment in future productivity and economic progress because by connecting Gadsden, Ala., and Rome, Ga., with the Gulf of Mexico, it is projected that the completion of all projects currently on-line will make this waterway of service to more than one-half of Alabama's citizens directly. The spinoff of economic benefits cannot be underestimated.

Congress is currently in the process of serious budget scrutiny, which in many cases is long overdue. I am hopeful, however, that Federal support for the Coosa River project will withstand the inspection of the most budget conscious among us. By completing this navigational system, Congress will have helped connect Alabama with inland waterway systems nationwide. As we face increasing energy costs and potential fuel supply disruptions, it makes the most obvious sense to put Federal dollars behind the most energy efficient transportation mode around.

Again, Mr. Chairman and members of the committee, I appreciate the opportunity to appear before this distinguished committee on behalf of the Tennessee-Tombigbee Waterway, the Warrior-Tombigbee Waterway system, and the Coosa-Alabama River system, and I urge you to continue funding at the fullest possible extent of these vital State waterway projects.

Mr. SHELBY. In this part of Alabama you are familiar with, the southwest part of Alabama, the Tennessee-Tombigbee Waterway is now completed. It is now open all the way to Columbus, Miss.

I would like to see, and I am going to see—as Senator Stennis said, this project prevail. We are going to finish this waterway, because I want it to be operational all the way up and tied on to the Tennessee River. Then you are going to, in my opinion, see a lot less harping and griping, and you are going to say, "Well, they knew what they were talking about."

I believe I speak for the Alabama delegation here, that we do know what we are talking about, people like Senator Stennis, Congressman Tom Bevill, and everybody else and yourself, Mr. Chairman, who have led the fight here know what you are talking about. We are going to prevail. That is why I am here just briefly to appear before your committee.

Thank you, Senator.

Senator COCHRAN. Thank you, very much, Congressman, for your remarks and for being here today to indicate to the subcommittee your thoughts about this project.

We are also glad to welcome Senator Jeremiah Denton from Alabama, who has just come into the hearing room. This Senator has already made an impact in his first year in the Senate in the effort of those who are supporting the construction and completion of this waterway to make it become a reality.

Senator, we are glad to have you here. I want you to feel free to express whatever statements and observations you have about this project to the committee at this time.

ALABAMA WATER RESOURCE PROJECTS

STATEMENT OF HON. JEREMIAH DENTON, U.S. SENATOR FROM ALABAMA

Senator DENTON. Thank you, very much, Mr. Chairman.

I am delighted to join you, a real veteran of this war and Senator Stennis, with whom I am serving on the Armed Services Committee, as well as having common interest with you and him on this project.

I want to thank you for the kind remarks you made, Senator Cochran.

I am honored to join my colleagues from Alabama and other States, many friends who support the Alabama-Coosa, the Appalachicola-Chattahoochee-Flint, the Black Warrior-Tombigbee, and the Tennessee Tombigbee Waterway, as well as the project at the Port of Mobile.

As a loyal Republican and one who is personally convinced of the President's rationale, I wholeheartedly support his budget and I am delighted that President Reagan included $186 million in his fiscal year 1983 budget for continued construction of the Tennessee-Tombigbee Waterway.

USER FEE PROPOSAL

I am concerned, however, about the strategy of the Office of Management and Budget because they are trying to force the Congress to adopt an unreasonable and self-defeating system of waterway user charges.

A reduction of $150 million has been proposed for the operation and maintenance of waterways pending congressional action on the user charge legislation.

I am sure that you and Senator Stennis would be delighted to know that Senator Abdnor recently had the opportunity to hear from the users of the waterway, the shippers, the farmers, the others in Mobile, Ala., at a hearing in which his eyes were opened to the fact that, really, there has been no logical plan, one which will benefit the Nation; one which will exploit the potential of that waterway in terms of a user fee plan that makes sense.

This reduction of $150 million, if approved, would have a devastating impact on the waterways in my State. It would effectively close down the Alabama-Coosa and the Appalachicola-Chattahoochee-Flint River projects and severely restrict the operations of the completed portions of the Tennessee-Tombigbee and the Warrior-Tombigbee navigation systems.

These reductions would result in business losses, increased unemployment, and other severe economic disruption.

To me, it makes little sense to have made large capital investments in waterway projects throughout the Nation, yet not provide the necessary funding for the operation and maintenance of these waterways at a level at which taxpayers can realize the benefits of their investments.

I would strongly recommend that funds be reallocated within the proposed budget of $13.2 billion being considered by this committee to allow the completed projects to operate in an effective manner.

PREPARED STATEMENT

I have a more lengthy written statement and would request that you permit me to submit the balance of my remarks in the committee record.

Senator COCHRAN. Thank you, Senator. Those remarks will be included in full in the record.

Senator DENTON. Thank you, sir.

Senator COCHRAN. Thank you, very much for being here, Senator. We appreciate your coming to the hearing today, and we welcome you always.

Senator DENTON. It was a pleasure. Thank you, sir.

[The statement follows:]

Statement of Senator Jeremiah Denton

Mr. Chairman. I am honored to appear here before this committee today with the Governor of Alabama, Fob James, my congressional colleagues, and many friends that support the Alabama-Coosa, the Appalachicola-Chattahoochee Flint, the Black Warrior-Tombigbee, and the Tennessee- Tombigbee Waterway as well as the Port of Mobile.

Let me say at the outset that I wholeheartedly support the President's budget. I am delighted that President Reagan included $185 million in his Fiscal Year 1983 budget for continued construction of the Tennessee-Tombigbee Waterway.

I am concerned, however, about the strategy the Office of Management and Budget is using to try to force the Congress to adopt an unreasonable and self-defeating system of user charges, A reduction of $150 million has been proposed for the operation and maintenance of waterways pending congressional action on the user charge legislation.

This cutback, if approved, would have a devasting impact on the waterways in my state. It would effectively close down the Alabama-Coosa and the Appalachicola-Chattahoochee-Flint River projects and severly restrict the operations of the completed portion of the Tennessee-Tombigbee and the Warrior-Tombigbee navigation systems. These restrictions would result in business losses, increased unemployment, and other severe economic disruptions.

To me, it makes little sense to have made large capital investments in waterway projects throughout the nation yet not provide the necessary funding for the operation and maintenance of these waterways at a level at which taxpayers can realize the benefits of their investments.

I strongly recommend that funds be reallocated, within the proposed budget of $13.2 billion being considered by this committee, to allow the completed projects to operate in an effective manner.

On March 15, I accompanied President Reagan to Montgomery, Alabama. During the trip, President Reagan assured me privately of his support for Alabama's waterways, particularly for the Tenn-Tom. I was very pleased that, in his remarks to a joint session of the State Legislature, the President once again stated the Administration's support for completing the Tennessee-Tombigbee Waterway. The Tenn-Tom has received continuous bipartisan support from the past six Presidents.

Although nearly $1.3 billion have been invested in this project so far, and over $1.5 billion actually committed to its construction, there are some who continue to try to make completion of the Tenn-Tom a political football game. The same group of opponents has attempted to degrade the worth of this project. Their efforts have been aided greatly by the national news media.

The irrefutable facts are that the completion of the Tennessee-Tombigbee and the other Alabama waterways that I mentioned will greatly enhance our prospects for intrastate, interstate, and international trade. Completion of the waterway will improve our national defense capabilities, will have a favorable impact on our balance of trade, and will lessen our dependence on foreign oil markets.

I say to you: What the opponents of the Tenn-Tom fail to recognize is that the cost of this waterway and the other Alabama waterways is fixed but the benefits are not.

The U.S. Army Corps of Engineers has done a remarkable job in the planning, design, and construction of the waterway. Each year the Corps calculates the annual dollar and cents benefits the Tenn-Tom will provide when it is finished. The benefits are computed both as savings to shippers and as economic benefits to the corridor area.

Based on current economic data, the total annual benefits are conservatively estimated at $151.5 million, up from the $136.9 million projected last year.

STATING THESE OVERALL BENEFITS IN MORE SPECIFIC TERMS, IT IS CURRENTLY $3.28 CHEAPER TO SHIP A TON OF CARGO BY BARGE THAN BY ALTERNATIVE TRANSPORTATION MODES.

SINCE A STANDARD BARGE LOAD OF COAL WEIGHS 1600 TONS, A SHIPPER CAN SAVE OVER $5000 PER BARGE BY USING WATER TRANSPORT. MULTIPLYING THESE SAVINGS BY THE PROJECTED ANNUAL TRAFFIC VOLUME PRODUCES HUGE ANNUAL BENEFITS FROM NAVIGATION ON THE TENN-TOM. THESE ESTIMATES ARE EXTREMELY CONSERVATIVE.

TO ILLUSTRATE HOW IMPORTANT THIS PROJECT IS, LET US COMPARE THE TENN-TOM WATERWAY COST TO BENEFIT RATIO TO THE COST TO PURCHASE ALASKA.

IN 1867, WHEN SECRETARY OF STATE SEWARD CONCLUDED THE PURCHASE OF ALASKA FROM THE RUSSIANS FOR JUST $7.2 MILLION DOLLARS, HE WAS PILLORIED AND REVILED BY NEARLY EVERYONE, AND THE PURCHASE WAS DESCRIBED WITH THE INSULTING CAPTION: "SEWARD'S FOLLY" -- BUT WHO, INCLUDING THE RUSSIANS, WOULD SAY THAT TO HIM TODAY?

IN JUST ONE COMMODITY -- OIL -- ALASKA IS TODAY A NEW GOLD MINE, PRODUCING A COST TO BENEFIT RATIO EXCEEDING ANYTHING MR. SEWARD OR ANYONE ELSE COULD POSSIBLY HAVE IMAGINED IN 1867.

THE PRESIDENT'S TRADE REPRESENTATIVE, BILL BROCK, REALIZES THE BENEFITS OF THE TENN-TOM AND OUR NATION'S WATERWAYS.

TO GIVE AN INDICATION OF THE FIRM SUPPORT THE TENN-TOM HAS FROM THIS ADMINISTRATION, I GIVE YOU A QUOTATION FROM A LETTER I RECEIVED FROM HIM DURING THE FISCAL YEAR 1982 APPROPRIATIONS FLOOR DEBATE IN THE SENATE. I QUOTE:

> "AS U.S. TRADE REPRESENTATIVE, I BELIEVE THAT THE TENNESSEE-TOMBIGBEE PROJECT HAS THE POTENTIAL TO PROVIDE IMPORTANT BENEFITS FOR SHIPPING INTERESTS AND FOREIGN COMMERCE. THIS IS ESPECIALLY IMPORTANT FOR U.S. COAL EXPORTS.

INCREASED SHIPPING CAPACITY OF THE TENNESSEE-TOMBIGBEE OR ANY OTHER MAJOR AMERICAN WATERWAY CAN DO MUCH TO ENCOURAGE AND FACILITATE INTERNATIONAL TRADE AND TO STRENGTHEN OUR DOMESTIC ECONOMY."

PREVIOUS ALABAMA WATERWAY PROJECTS HAVE ALREADY DEMONSTRATED THE CONSERVATIVE SIZE OF THE BENEFIT TO COST RATIO PREDICTED BEFORE THEY WERE COMPLETED. I BELIEVE THIS COMMITTEE WILL DO A GREAT SERVICE TO OUR COUNTRY BY APPROVIN THE FUNDING LEVELS REQUIRED TO OPERATE OUR WATERWAYS EFFECTIVELY.

PREPARED STATEMENTS FROM OTHER MEMBERS OF CONGRESS

Senator COCHRAN. We also have a written statement which has been submitted by Senator Wendell Ford of Kentucky which we will make a part of the record at this point, along with statements from Congressman Natcher, Edwards, and Dickinson, all of which will be included in the record at this point.

[The statements follow:]

STATEMENT OF REPRESENTATIVE WILLIAM L. DICKINSON

TENNESSEE-TOMBIGBEE WATERWAY SYSTEM

Mr. Chairman and members of the Committee. Alabama, as you well know, is blessed with a large number of inland waterways which provide a quick, cost-efficient mode of travel for farmers and the exporters of coal and other resources to move their products from Mid-America to the Gulf of Mexico.

The benefits the Tennessee-Tombigbee would bring to our region in this regard have been well documented before the Subcommittee on Energy and Water Development and on the floor of the House and the Senate.

Thousands of barges haul corn, wheat and soybeans to the Gulf each year and a study of the Tenn-Tom has concluded that the availability of a new waterway route would cause significant savings to farmers in our region who can move their agriculture and food products faster by taking the new route.

The Federal Government has invested heavily in this construction project and we have literally reached the point now where it would cost almost as much to terminate the project as it would to complete it.

By the end of this fiscal year, 79 percent of the navigation facilities along the waterway will be completed, and, overall, 71 percent of the project will be completed.

Eight of the ten locks and dams on the Tenn-Tom will be virtually completed by the end of the year with the remaining two, more than 30 percent complete.

More than 160 miles of the 234-mile project are completed and limited navigation has been open for over two years between a point near Columbus, Mississippi, and the Port of Mobile.

Thus far, about $1.3 billion in federal funds have been made available to Tenn-Tom since construction began in late 1972.

With approval of the $186 million for construction as proposed in the President's 1983 budget, funding for Tenn-Tom will pass the 80 percent mark. Congress then will have appropriated nearly $1.5 billion for construction of the waterway, leaving about $344 million remaining to be funded.

The choice on construction of the Tenn-Tom is clear. We either continue building the waterway to provide an adequate national transportation system and an economic stimulant, or we end our national commitment and forego $147 million potential average in annual benefits and have an uncompleted bridge going nowhere with barely $6 million in annual benefits to show for a $1.6 billion expenditure.

To me, the choice is clear, we must go forward with Tenn-Tom construction and I will be working with you, Mr. Chairman, in seeing that this construction money remains in the Energy and Water Development Appropriations Bill.

The subject of user fees has muddied the waters a little this year in relation to keeping some of our waterways operating at full capacity. I do not anticipate this legislation will get very far in this Congress.

The Tennessee-Tombigbee is crucial to the development of South Alabama and much of the Nation. We must see that this project is completed, and a great deal of my time this year will be dedicated to obtaining the votes to maintain its proper funding level.

WARRIOR-TOMBIGBEE RIVER SYSTEM

Mr. Chairman, members of the subcommittee, I appreciate very much the opportunity to appear before you to discuss the Warrior-Tombigbee River System and its budget for Fiscal Year 1983.

The Warrior-Tombigbee serves a multitude of users including manufacturers; iron ore and steel; finished products; coal and petroleum; agriculture; crude and fuel oils; chemicals; aggregates; wood products; small business; and private citizens. Thousands of farmers from 21 Alabama and Mississippi counties ship their grain over the system to Mobile for export to many parts of the world.

Twenty-seven years ago the system carried less than three million tons per year. In 1980 alone, 18 million tons moved on the system, an almost seven fold increase in the system during those years. It is expected that tonnage will continue to grow and likely exceed 20 million tons in 1982. Future growth, spurred by growth in coal shipments, a new barge manufacturing facility and the new U. S. Steel facility at Fairfield is expected to reach 25 to 30 million tons by the mid-1980's.

The millions of people who use and are served by Warrior-Tombigbee appreciate the past care and concern the Congress has shown in the system as expressed in funds for development, and operations and maintenance. Because of the foresight of many of you and your predecessors, the system now only uses six locks to traverse the 400-plus miles from the head of navigation to the Port of Mobile, one of the nation's most vital and growing ports.

The Oliver Lock, a pre-World War II facility near Tuscaloosa, continues to be a bottle-neck to a system that increasingly must operate at peak efficiency on a fulltime basis. This lock is smaller than all the others on the system, requiring that "tows" be broken apart and using double lockages. We request that the Corp of Engineer's additions "capability" of $3.5 million be funded, and that planning funds be added to permit continuation of the orderly progress toward replacement of Oliver Lock.

The funds requested in the Corps' budget are not sufficient to provide for fulltime operations or for essential dredging and snagging. The $7.8 million in the Corps' proposed Operations and Maintanence budget is some $3.5 million below the average expeditures over the past three years. Dredging and snagging for FY-83 is less than half that for FY-82 and inadequate to keep the channel safe and efficient.

The FY-83 budget is almost $1 million too little to provide for fulltime lock operations. By the constraints of the overall budget it would appear that the federal government is abrogating a vital national resource and responsibility as old as the Republic itself.

The subject of user fees has been brought up in relation to keeping some of our waterways operating fulltime. I do not think user charges will be imposed this year, but the operations and maintenance funds for this waterway must be appropriated at an adequate level.

For every dollar the federal government has put into our waterways, millions of farmers, industrialists, state and local governments and private citizens and concerns have invested much more.

To "turn off" Warrior-Tombigbee now by unrealistically cutting its budget would be similar to never filling the "potholes" or repairing bridges on a key interstate highway. To do so would be to be "penny wise and pound foolish." Withdrawal of sufficient federal support at this point in the game might have calamitous results on many private enterprises--especially on jobs. I request that you fund this system to continue its development and operations on a fulltime and efficient basis.

COOSA-ALABAMA RIVER SYSTEM

Mr. Chairman and members of the Committee. The navigable rivers of the Southeast are a necessary part of a national waterway system, and all parts of the system contribute to the whole. The integrity of this system must be maintained to permit the forces of competition to operate and make it possible to achieve national goals related to agriculture, energy, regional development and national defense.

The Federal investment and Federal responsibility for maintaining and improving the waterways is a vital part in the success of such water systems as the Coosa-Alabama.

Too little of our Federal budget represents investments in long term returns. It has been shown that Federal investment in the waterways has brought corresponding public and private investment. A reduction in Federal involvement could, in turn, inhibit private investment at a time when public and private investment for the future are sorely needed.

The Coosa-Alabama provides an important role for the farmers of our region, in particular. For example, Mississippi Chemical, A farmer-owned corporation, barges fertilizer up the Alabama River to Montgomery. This same company barges fertilizer from Pascagoula, Mississippi to the Alabama Farmers Cooperative in Decatur, Alabama. Decatur is located on the Tennessee River. This barge delivery takes 23 days, proceeding west on the Intracoastal Water, north on the Mississipi, east on the Ohio River, and south on the Tennessee. Even going upstream on three of our largest rivers, this is the most economical means at the present time.

On the Alabama River, a $1.5 billion General Electric site is in the planning and permitting stage. Significant increase in water freight rates could make another location more desirable. Other firms such as Ideal Basic Industries made their plans around the availability of Alabama River transportation. Ideal's combined plant and quarry represent the largest single-phase private investment completed to date in Alabama. Before Ideal's facilities were completed, Alabama River Pulp's $285 million investment on the same river was the largest comparable private investment.

Thus, you see the importance for the Coosa-Alabama to remain open. If proposed user charges being considered are ever adopted, this would change the ground rules on which these industries made their investments. I do not think user charges will be imposed this year, but the operation and maintenance funds for this waterway must be appropriated at an adequate level. The Alabama River will reach five million tons of traffic in 1982 with Ideal Basic Industry's limestone shipments alone scheduled to be three million tons per year.

Continued improvement of Mobile Harbor must be prepared to take deep draft ships as soon as possible.

For the first time, The Coosa-Alabama is asking for construction money for the Coosa River Navigation Project. The Corps of Engineers will be ready to start excavation for the first lock in March 1983. The $10.5 million in appropriations is needed to start the project this year.

The Coosa-Alabama has a direct effect on 18 counties and 21 municipalities along the waterway from Mobile, Alabama to Rome, Georgia, many of which are in my Congressional District. I hope you and Members of the Subcommittee will act favorably on my request.

TRI-RIVERS WATERWAY SYSTEM

Mr. Chairman and members of the Committee, I want to thank you again this year for the privliedge of presenting my views to you regarding budget requirements of the vital Tri-Rivers System which is so important to the continued development of jobs and industry in the States of Georgia, Alabama and Florida.

At the outset I want to especially commend the outstanding work for Tri-Rivers of President Eustace Bishop, Vice-President J. C. Gissendaner, Commissioner R. P. McSwean and Executive Director Addie Summers. The people of the Tri-Rivers area owe these outstanding individuals much for their labors for the system.

The Apalachicola-Chattahoochee-Flint (ACF) Waterway holds the potential to fulfill in its area some of the nation's most important public policy goals. Among them: To promote regional development, to provide new industrial jobs and higher farm income, to expand world trade and to insure national defense.

The ACF has not yet realized its potential, largely because the navigation channel authorized by Congress in 1945-56 still has not been provided on a dependable basis. Private industry and the Alabama and Georgia state governments made big investments in the waterway during the 1960's. By 1972, cargo tonnage reached 1 million tons. The tonnage leveled off, though and has not increased significantly since then. (An 18-month drought caused actual decreases in 1980 and 1981.) Local chambers of commerce have lost industrial prospect after prospect to places with more reliable barge channels. Soybean production along the river has increased dramatically in the past ten years. Though almost all the soybeans went for export, only a small percentage has moved by barge, because the channel drops to its lowest level at harvest time.

Industries committed to the waterway have suffered. (The State of Alabama has a project underway to document more precisey their investment, estimated now at close to $2 billion.) Nevertheless, some river users continue to expand their operations because barge transportation is needed for such basic commodities as fertilizer, fuel and grain.

To stop maintenance of this already-handicapped waterway would unjustly punish businesses and farmers who have staked their futures on the promise of a dependable 9 by 100 foot channel. It would stifle the development of a region with vast production potential. With no barge transportation, farmers could expect to pay $8 to $18 (6 to 13 percent) per ton more for fertilizer while they would receive 15 to 50 cents less for soybeans. The price of tires would be affected as a carbon-black manufacturer which supplies Southeastern tire factories closed down or was forced to use much higher priced transportation for its raw materials. A major paper manufacturer would lose a key foreign-trade advantage. In short, losses in productivity and damage to a growing economy would far exceed the annual investment required to keep the system functioning at its present level and even to improve it within environmentally acceptable limits.

I therefore ask this committee to restore funding in the Corps of Engineers budget for the Apalachicola-Chattahoochee-Flint Waterway at the full amount of the Corps'capability for that project, $6,763,000. This figure includes $1,268,000 for removal of rock outcroppings to increase the percentage of time the authorized channel is available. In view of the potential longterm returns and the damage which would be done by closing the waterway, this seems a highly desirable investment. This is a very small investment for the federal government which will reap huge dividends of our area and the nation in the future.

Thank you.

Statement of Representative William H. Natcher

MR. CHAIRMAN, I do appreciate this opportunity to once again express my strong support for the Tennessee-Tombigbee Waterway Project.

The sum of $186 million has been proposed in the Fiscal Year 1982 budget. With the approval of this amount, funding for the total cost of the Waterway will be over 80% complete. At this point, all major contracts have been awarded. By December, eight of the ten locks and dams will be virtually completed, and the remaining two will be more than 30% constructed. The Waterway is 234 miles long, and by the end of this year, 71% of the entire project will be finished.

The Waterway is already in use today. There is limited navigation from Columbus, Mississippi to Demopolis, Alabama, from which point shippers have access to the Gulf of Mexico. Over 160 miles of this project have been completed, and when the construction is finished, it will be one of the busiest waterways in the United States. It is anticipated that over 28 million tons will be moved during its first year of operation alone.

The Tennessee-Tombigbee Waterway is an important addition to our national transportation system. 16,000 miles of inland waterways will be linked to the Gulf. Fourteen states will benefit as industrial development takes place in order to utilize the navigation facilities, and these states will realize $127 million in transportation savings annually. Beacuse cargo carried on waterways is the most cost-effective form of commerce, bulk-type commodoties will be transported in an energy-efficient manner, and hazardous cargo can be shipped safely.

The Commonwealth of Kentucky will be positively influenced by the Waterway. Companies already located in Kentucky can expect to save nearly $35 million the first year. Per-capita income for Western Kentucky workers will increase, and it is predicted that there will be 21,000 new jobs above normal growth by the year 2000. The Tenn-Tom will enhance Kentucky's economy by increased construction activity, public and private port development, and expanded towing activity. Kentucky's coal, limestone, and other raw materials will be able to be transported at considerable savings.

Mr. Chairman, it is definately in our Nation's best interest to complete the Tennessee-Tombigbee Waterway Project. The benefits of the completed waterway will certainly outweigh its remaining cost. This is the most studied and restudied water project ever built. It has been endorsed by five U.S. Presidents, and it is supported by industrialists, investors, environmentalists, and civic groups. I would like to urge that the full sum of $186 million be approved for this worthwhile project.

Statement of Representative Jack Edwards

TENNESSEE-TOMBIGBEE WATERWAY

Mr. Chairman, it is an honor to appear before your subcommittee again this year in strong support of the Tennessee-Tombigbee Waterway. It has been gratifying to see this important waterway take shape over the years and I look forward to its completion.

The Tenn-Tom will have a great economic impact on the Southeast, but since most of its traffic will flow through the Port of Mobile, the State of Alabama and my Congressional District are vitally interested in its completion. Approximately one of every 11 workers in the State of Alabama is in a job directly or indirectly related to port activities. The Port of Mobile generates about $32 in revenues for every ton of general cargo, and tonnage through the Port of Mobile is expected to double when the Tenn-Tom is completed. The total impact of the waterway on private income through this century is estimated to exceed $4.5 billion. International interest in the Tenn-Tom is increasing as completion nears and the economic impact of that interest is well known. The State of Alabama has spent or committed $226 million in anticipation of the Tenn-Tom, and private industry in the Port of Mobile area alone has expended about $1.6 billion for construction of new industries and the expansion of existing ones.

One of the most important aspects of the Tennessee-Tombigbee Waterway will be its transportation benefits. Transportation savings to Alabama businesses are anticipated to be $34 million in the Tenn-Tom's first year of completion which is scheduled to be in 1986. Those savings are expected to exceed $500 million by the year 2000. Many major commodities will be transported on the Tenn-Tom, including coal from Alabama and Appalachian coal fields, agricultural products, chemicals and metallic ore. New public and private inland dock facilities are being strategically located to handle those products. A number of these facilities will be equipped with grain elevators for handling agricultural products. Swine, poultry, and cattle feeder lot operators recognize the potential the waterway's opening will have on production increases to meet growing consumer demands. The Waterway will allow more barges to bring feed directly to the farmers in our area. Transportation savings will benefit some 23 states. Those transportation savings along the Tenn-Tom also represent major energy savings. The nation's ability to reduce its dependence on imported oil and convert to other energy sources, including coal, depends largely on our having an efficient transportation system. Over 28 million tons of coal are estimated to move on the Tennessee-Tombigbee Waterway, at a savings of more than $93 million during its first year of operation alone -- and waterway transportation is less energy intensive than any other major mode of transportation, including rail, pipeline, truck, and air cargo transportation.

The Tennessee-Tombigbee Waterway is not simply another water navigation project. It is also a regional development project. The Tennessee-Tombigbee Corridor Study, which I support, is being conducted to assess the needs of the 48 counties along the waterway in planning to take advantage of this development. Some of these counties are among the poorest in the nation. The study will be completed in 1984 and will make recommendations for the use of water and related land resources, for economic development, for the development of human and minority resources, and for the enhancement of environmental quality.

By the end of Fiscal Year 1982, 79 percent of the navigation facilities along the waterway will be completed, and, overall, 71 percent of the project will be finished. Eight of the ten locks and dams on the Tenn-Tom will be virtually completed by the end of the year with the remaining two, Locks D and E, more than 30 percent constructed. More than 160 miles of the 234-mile project are completed and limited navigation has been open for several years between a point near Columbus, Mississippi, and the Port of Mobile. Thus far, about $1.3 billion of the estimated Federal cost has been made available to the Tenn-Tom since construction began in late 1972.

Just two weeks ago on March 15, President Reagan, in an address to the Alabama Legislature, unequivocally stated his total support for the Tennessee-Tombigbee Waterway project. He has proposed $186 million for construction in Fiscal Year 1983 and that appropriation would put Tenn-Tom funding over the 80 percent mark. The budget proposes $3.138 million for operation and maintenance on the Tenn-Tom. The Corps has an additional O&M capability of $7.139 million, so I urge the Committee's consideration of maintenance funding for a total of $10.277 million.

Mr. Chairman, each year construction continues on the Tenn-Tom, the difference between cost to complete and cost to terminate becomes closer and closer. I have argued and strongly contend that no one actually knows what it will cost the government to stop the Tenn-Tom. We presently have locks sitting out on dry land waiting to become a part of the system. What is the plan for removing these massive concrete structures? Will they be torn down to restore the pre-project environment? Or will they be left as monuments for tourists to remember a project which might have been and almost was? What is the plan for filling in the 39 mile divide cut through the hills of northern Mississippi? Will it be a dry ditch for the rest of eternity? Or will we restore the land such as we do in the case of a strip mine? And who knows how much it would cost? Just to raise the questions suggests the folly of termination at this point.

We have come too far with a good project to stop it now. Even those who question its worth must see that it is now illogical to even consider termination.

Mr. Chairman, I fully support the Corps' capability on the Tennessee-Tombigbee Waterway. I thank you and your committee for your continuing support, and I urge you to include it in your bill.

COOSA-ALABAMA RIVER SYSTEM

Mr. Chairman, thank you for giving me this opportunity to appear before your Committee to testify in support of the Fiscal Year 1983 appropriation for the Coosa-Alabama River System.

For operation and maintenance along the Coosa-Alabama River System, $22.066 million is needed in fiscal year 1983. That funding would be broken down into the following projects: Alabama-Coosa Rivers in Alabama ($3,920,000), Jones Bluff Lock and Dam ($2,882,000), Millers Ferry Lock and Dam ($3,497,000), Allatoona Lake, Georgia ($3,647,000), and Carters Lake, Georgia ($2,093,000). The Administration has requested lower levels of funding for these separate projects for a total of $16,352 million. I seek your consideration of the funding level needed, however, since the Coosa-Alabama River System must be sufficiently maintained if we are to fully realize its economic and navigational benefits.

An area of special concern is the Coosa River Navigation Project. The Administration did not include this project in its budget request, but the Corps of Engineers has indicated its capability is $10.5 million to continue the Advanced Engineering and Design work currently underway on the project and begin construction in 1983. The Coosa River Navigation Project will extend the navigation channel from Montgomery to Gadsden.

I also urge your full consideration of the $500,000 needed for a survey of Dalton Lake, Georgia.

Mr. Chairman, I appreciate the Committee's past support for the Coosa-Alabama River System, and I hope for your continued support. Thank you for allowing me to present my statement.

BLACK WARRIOR, WARRIOR, AND TOMBIGBEE RIVER SYSTEM

Mr. Chairman, it is good to come before your Committee again today to testify in strong support of the Fiscal Year 1983 funding request for the projects included in the Black Warrior, Warrior, and Tombigbee River System.

I am offering separate testimony endorsing the projects in the Mobile area, including the Mobile Harbor, the Dauphin Island Bay, Perdido Pass, and the Gulf Intracoastal Waterway.

The President has requested $7.806 million for operation and maintenance on the Black Warrior and Tombigbee Rivers for Fiscal Year 1983, some $3.5 million below the Corps of Engineers' capability. The bulk of this budget request is intended for use in routine dredging, snagging, upkeep and repair of locks and dams. We have kept the system in good operating condition and have replaced outmoded locks and dams, and traffic has increased dramatically in recent years. The movement of coal by water is expected to double in future years, adding to the traffic level on the Warrior-Tombigbee River System. I hope the Committee will favorably consider the Corps of Engineers' full capability for operation and maintenance on the system in the amount of $11.306 million.

In addition to operation and maintenance funds, the President has requested $320,000 for General Investigations on the system in 1983. This figure does not provide for continued planning for the replacement of the William Bacon Oliver Lock. Traffic congestion remains a problem on the river system, especially at the Oliver Lock, because its dimensions are smaller than those of other locks. The problems at the Oliver Lock have affected the maximum use of other locks and have created serious delays in commodities shipments. We have experienced a number of lock and maintenance closures along the system in the past several years, and traffic congestion has made it very difficult to plan wisely for these needed pericds of maintenance. It is essential that we work toward a solution of the Oliver Lock problem. I urge approval of the Corps' full capability for this investigation.

Mr. Chairman, I am truly appreciative of your Committee's support for the Black Warrior, Warrior, and Tombigbee River System in the past. It is important that we continue to adequately fund the system.

It is a pleasure to be able to testify in behalf of this important waterway.

MOBILE BAY AREA PROJECTS

Mr. Chairman, I am glad to be here to request appropriations in Fiscal Year 1983 for a number of important projects in my Congressional District in the Mobile Bay area. My request is primarily for funding necessary to continue vital operation and maintenance functions for Mobile Harbor, the Gulf Intracoastal Waterway, Bayou La Batre, Dauphin Island Bay, the Dog and Fowl River project and others.

In the Fiscal Year 1983 budget request, the Administration has included only two projects in the Mobile Bay area. For operation and maintenance of Mobile Harbor, the budget provides for $3.721 million. Since the Corps of Engineers has an additional capability of $2.306 million for that project, I urge you to provide a total of $6.027 million. The Administration has requested $2.541 million for maintenance of the Gulf Intracoastal Waterway for which the Corps has an additional capability of $1.521 million, and I hope the Committee will appropriate the full amount for this project, namely $4.062 million.

The Corps of Engineers $150 million reduction for operation and maintenance funding has resulted in the proposed termination of work on a number of projects in this area. I am gravely concerned by the possibility that maintenance may be discontinued and I urge the Committee's consideration of the Corps' full capability on these projects: Bayou Coden, $441,000; Bayou La Batre, $665,000; Bon Secour, $469,000; Dauphin Island Bay, $569,000; Dog and Fowl Rivers, $429,000; Fly Creek in Baldwin County, $175,000; and Perdido Pass, $1.278 million.

The coastal area of Alabama has experienced a great deal of oil and gas exploration activity in recent years and this increased activity has further pointed out the need for improvements to the Bayou La Batre Channel, a major access point for developers. A resolution authorizing a study of the feasibility of deepening the channel was approved in 1974 but has yet to be funded. The Corps of Engineers capability for the Bayou La Batre Channel deepening study is $80,000 in fiscal year 1983, and I would be grateful for your consideration of this study.

This Committee has been most supportive in the past of the Mobile Harbor Deepening Study and the Theodore Channel project. I would be remiss if I did not take this opportunity to thank the Members and to give you a progress report. The Mobile Harbor Study is nearing its final stage and will hopefully be recommended for authorization in the near future. The project would establish Mobile Harbor as a deep water port by deepening and widening the channel to 55 by 700 feet. I fully support the $1 million requested for the Mobile Harbor survey. The Theodore Channel project will expand deep-draft facilities in the Mobile Harbor area and will stimulate the Theodore Industrial complex. The project will be the culmination of cooperative efforts among Federal, State and local authorities as well as private industry to provide substantial economic benefits to the Mobile area and the entire Southeast. I am pleased to report that the Theodore Channel is a reality.

Mr. Chairman, I sympathize with the task this Committee has before it in working with the President's fiscal year 1983 budget request for waterway projects. Ongoing maintenance of these waterways is crucial and we cannot afford to neglect those needs. Our major industries in the Mobile area, as well as commerce from other areas of the nation, are dependent on an efficient waterway system for the transportation of goods. Commercial and recreational fishermen depend on having access to fishing areas in authorized channels, in Mobile Bay and the Gulf, and they depend on having reliable access to safe harbors. I trust that the Committee will do what is necessary to assure the continued operation of our waterways.

Thank you for giving me this opportunity to comment on these projects.

STATEMENT OF SENATOR WENDELL FORD

MR. CHAIRMAN: I am pledging my support of the Tennessee-Tombigbee Waterway and their FY 1983 budget request.

As the committee once again considers merits of the Tenn-Tom project, let us not overlook the significant role this waterway will play when finished in substantially increasing our country's ability to export coal.

The world needs and wants our coal, but this country is unable to take advantage of what is obviously a sellers market. We have to develop a transportation network capable of moving this coal in a timely manner to ports from where it can be shipped. The lack of an adequate transportation system has been a major obstacle that has prevented our country from taking advantage of these new export opportunities.

We must not overlook the important role the Tenn-Tom will play in eliminating many of the obstacles that now exist.

There are critics who have complained there is no need for the project...that the Mississippi River can handle the traffic. Corps of Engineers statistics for 1980 indicated record years ahead for barge traffic on the Tennessee River. The total commercial traffic set a new annual tonnage record in 1980 of an estimated 33 million tons. The need for additional transportation is obvious.

Quite frankly, I cannot accept the reasoning of those who question the need for the Tenn-Tom Waterway. Every President has endorsed the project since its inception and Congress has approved funding. The project is proceeding rapidly to completion.

Mr. Chairman, the expansion of our international coal markets is not only critical to the future of the coal industry, but will be a major factor as to whether or not other oil importing nations can realize the full potential of these new export opportunities.

Any attempt to delay the progress of this project must be regarded as ill-conceived. The project is now over 65 percent complete and can be in full operation before 1986. So what would be served by stopping it now? Nothing--nothing at all.

The committee should continue to support this great opportunity to help this country improve it's balance of trade situation. Remember, every ton of coal we export helps reduce our trade deficit abroad.

I urge this committee to take these factors into consideration and firmly reject any and all efforts to delay completion of this project which is so very important to the economic future of our nation.

TENNESSEE-TOMBIGBEE WATERWAY

STATEMENT OF HON. WILLIAM WINTER, GOVERNOR OF MISSISSIPPI

Senator **COCHRAN**. Now I would like to welcome to the subcommittee my own Governor, William Winter, who is here, and ask you to please feel free to make a statement that you wish to make at this point.

We are certainly glad to see you here today, and we welcome you.

Governor **WINTER**. Thank you, Mr. Chairman, Senator Stennis.

I want to thank both of you who represent my State so well here, and I want to thank you for the privilege of appearing before you on behalf of the Tennessee-Tonbigbee Waterway.

Mr. Chairman, I don't know whether I got in late, and I am not sure whether you have recognized our fellow Mississippians here. If you haven't, I would just like to do so from the standpoint of evidencing the interests in the State of Mississippi by virtue of the appearance here, all the way from a thousand miles, all the way fron Mississippi, of the members of the Tennessee-Tombigbee Waterway Development Authority, the members of the board of Tombigbee River Valley Water Management District, and other distinguished citizens from the State. Without calling their names, I would just like to ask them to stand.

Senator **COCHRAN**. Would you please stand?

[Large group standing.]

Thank you, very much. [Applause.]

Governor **WINTER**. Mr. Chairnan, I have a prepared statement which I would like to file for the record, and then in addition to that, I would like to make just a very brief personal statement, based on my own particular observations of the Tennessee-Tombigbee Waterway and what I perceive it to mean not just to the State of Mississippi, but to the region and to the Nation.

I have had the privilege as a public official to testify on behalf of the waterway over a period of 10 years or more in the Federal Court for the Northern District of Mississippi, as well as before committees of the

Congress. That is a long time and, of course, the planning for the waterway preceded even this period.

May I say very respectfully, Mr. Chairman, that I think the time has come, I think it is in the national interest that a final decision be made by the Congress to complete this project.

We are aware of the amount that has already been invested—$1.3 billion or thereabouts. That is a very substantial investment by anybody's standards, but that investment does not produce any significant dividends until the total investment is made.

One of the things that I spend a great deal of my time as Governor of Mississippi doing is to develop some programs to create jobs, to increase the productivity of the people of my State so that they can, in turn, pay the taxes to enable the Government of this country to meet its responsibilities.

We cannot do that unless we have in place the kind of infrastructure that the Tennessee-Tombigbee Waterway represents and provides.

I have had the opportunity within the last few months to go with investigators, businessmen in my State and from outside the State and the country, for that matter, and fly with them over the uncompleted part of the Tennessee-Tombigbee Waterway and point out the great potential that exists down there to develop jobs and have them say to me, "What assurances do we have if we invest on that waterway and build plants there and create jobs that the waterway is ever going to be completed?"

Until we can give them satisfactory assurances that the waterway is, in fact, going to exist, that it is going to be completed, then we are not going to get the kind of investment that will, in turn, represent the response that I think the U.S. Government has a right to look for from this waterway, from this great project.

So it is time to say, with finality, to those who would develop along the waterway, "The waterway will be completed and it will be completed on time," and we are going to start realizing some return from it.

That is just plain, good business, having invested as much as we have. Then let's maximize that investment, and it is not going to result in any return as long as there is just an open ditch running up through northeast Mississippi. That brings me to the second point I want to make.

We are now at a point where it will cost about as much, if not more, not to finish the waterway than it will to finish it, without any return or any significant return. We have a 130-mile raw scar across northeast Mississippi, running from Columbus all the way to the Tennessee River.

It is not doing anybody any good. We hear about the environmental impact. Well, it would be an environmental disaster if we left that project incomplete. So with the amount that we have invested already, for goodness' sake, let us invest a modest additional amount, pursuant to the recommendations of the President's budget message, and finish this project that has been so long awaited, and it represents not just a narrow, sectional, parochial interest that would benefit my State alone, but that will benefit the great midsection of this country; that will benefit, for that matter, the entire country because it will produce, it will generate additional econonic activity, additional jobs.

It will tie this country together. It will do what, historically, we have always done, and that has been to share the natural resources of this country in a way that would result in the total development of the country.

We have here in the Tennessee-Tombigbee Waterway one of the great projects. In my opinion, in the period of years that it will serve this country, it will result in as much benefit in the entire country than any public works project in the entire country.

I thank you, Mr. Chairman, and Senator Stennis, for the opportunity of presenting this statement on behalf of the people of the State of Mississippi, but more than that, on behalf of the people that will benefit from the completion of this project.

[The statement follows:]

Statement of Gov. William F. Winter of Mississippi

I AM PLEASED TO APPEAR HERE TODAY TO DISCUSS THE FUTURE OF THE TENNESSEE-TOMBIGBEE WATERWAY. GEOGRAPHICALLY MISSISSIPPI BECOMES THE TARGET OF MUCH OF TODAY'S DISCUSSION SINCE A MAJOR PART OF THE UNCOMPLETED WORK IS IN THE MISSISSIPPI SECTION OF THE WATERWAY; HOWEVER, THE DECISIONS MADE HERE WILL IMPACT THE FUTURE OF AN INLAND REGION OF THIS COUNTRY FROM MINNESOTA AND PENNSYLVANIA TO LOUISIANA AND FLORIDA.

THIS UNIQUE PUBLIC WORKS PROJECT HAS BEEN THE SUBJECT OF MORE DISCUSSION, STUDY, EDITORIALS, AND BUZZ WORDS THAN ANY IMPROVEMENT TO OUR NATION'S TRANSPORTATION SYSTEM IN RECENT YEARS. THIS INVESTMENT IN INCREASED OPPORTUNITY FOR A BETTER QUALITY OF LIFE FOR A MAJOR REGION OF OUR COUNTRY HAS BEEN TESTED AND RETESTED FROM SUCH VIEWPOINTS AS ENVIRONMENTAL CONCERNS, TRANSPORTATION VALUES, ECONOMIC DEVELOPMENT AND BUDGET CONSTRAINTS. TODAY, FOR A FEW MOMENTS I URGE YOU TO PUT ASIDE PRECONCEIVED IDEAS AND LOOK AT THE TENNESSEE-TOMBIGBEE WATERWAY ANEW WITH ME.

LET ME BEGIN BY NOTING THAT MISSISSIPPI RANKS 50TH IN THE NATION IN PER CAPITA INCOME AND HAS RECENTLY BEEN IDENTIFIED AS ONE OF THE STATES WITH THE LEAST TAXING CAPACITY IN THIS NATION. ADJOINING STATES IMPACTED BY THE WATERWAY HAVE SIMILAR ECONOMIC STATUS. IN SPITE OF THESE HANDICAPS MISSISSIPPI HAS ALREADY MADE MAJOR INVESTMENTS IN EXCESS OF 200 MILLION DOLLARS IN SUPPORT OF COMPLETING THE TENNESSEE-TOMBIGBEE. TO THE PEOPLE OF NORTHEAST MISSISSIPPI THE WATERWAY REPRESENTS AN INVESTMENT IN OPPORTUNITY. A FEDERAL-STATE-LOCAL PARTNERSHIP TO IMPROVE THE QUALITY OF LIFE IN THIS UNDERDEVELOPED REGION. WHILE A NUMBER OF PRIVATE ENTERPRISE INVESTMENTS EXCEEDING 800 MILLION DOLLARS HAVE SUPPORTED THIS INVESTMENT, THE FUNDING AND COMPLETION UNCERTAINTIES EXPERIENCED DURING THE PAST TWO YEARS HAVE SERIOUSLY CURTAILED OUR OPPORTUNITY TO EXPERIENCE THE FULL BENEFITS WE HAD ANTICIPATED BY THIS DATE. PRIVATE INVESTORS MUST BE ASSURED OF COMPLETION BEFORE TAKING MAJOR FINANCIAL RISKS.

PROVISION OF ADEQUATE TRANSPORTATION IS A MAJOR FACTOR IN ANY GROWTH ENVIRONMENT. ECONOMISTS HAVE REPORTED THAT THE WATERWAY CAN HAVE A MAJOR CATALYTIC EFFECT IN MOBILIZING FEDERAL-STATE AND LOCAL EFFORTS BEHIND ECONOMIC DEVELOPMENT IN A LARGE SUBREGION OF THE SOUTHEAST AND WE HAVE MADE MAJOR COMMITMENTS TO ASSURING THAT THIS FORECAST IS REALIZED. THE WATERWAY PROVIDES A MUCH NEEDED ALTERNATE TRASPORTATION MODE TO THE REGION AND TO THE NATIONAL INLAND WATERWAY SYSTEM. THIS LINKAGE PROVIDES LOW COST, ENERGY EFFICIENT TRANSPORTATION OPTIONS NEVER BEFORE EXPERIENCED IN THIS COUNTRY. ALTERNATE TRANSPORTATION ROUTES AND MODES HAVE OFTEN BEEN CONSTRUCTED IN OUR HIGHWAY SYSTEM AND OTHER TRANSPORTATION SYSTEMS AND IN EACH INSTANCE HAVE SPURRED ECONOMIC DEVELOPMENT BEYOND EXPECTATION. PREVIOUS EFFORTS TO IMPROVE NAVIGATION ON INLAND RIVERS IN OTHER SECTIONS OF THE COUNTRY HAVE ALSO SUCCESSFULLY INDUCED MAJOR ECONOMIC DEVELOPMENT INVESTMENTS.

IN ADDITION TO OTHER FACTORS THE PROVISION OF ADEQUATE WATER RESOURCES REMAINS A SERIOUS NATIONWIDE CONCERN AND IS BECOMING AN INCREASINGLY IMPORTANT CONCERN IN OUR REGION. WATER PROJECTS ARE BEING ACTIVELY PERSUED THAT REQUIRE ENORMOUS PUBLIC INVESTMENT. THE APPROXIMATE 42,400 ACRES OF WATER RESULTING FROM THE WATERWAY PROJECT WILL HAVE A SIGNIFICANT IMPACT ON AVAILABILITY OF ADEQUATE WATER RESOURCES TO SURROUNDING AREAS IN FUTURE YEARS AND WILL MAKE A MEASURABLE DIFFERENCE IN HOW WE SEEK RELIEF FOR A SHRINKING WATER SUPPLY.

TODAY I AM URGING YOU TO CAST ASIDE THE DOUBTS, THE PAROCHIAL INTEREST GROUPS AND TO ASSIST US IN IMPROVING THE ECONOMIC WELL-BEING OF OUR REGION. HELP US PROVIDE OPPORTUNITY TO INCREASE REGIONAL SELF-SUFFICIENCY AND REDUCE DEPENDENCY THROUGH INCREASED ECONOMIC DEVELOPMENT AND CREATION OF NEW JOBS THAT WILL FOLLOW COMPLETION OF THE TENNESSEE-TOMBIGBEE.

AS YOU CONSIDER THE CURRENT BUDGET ISSUES I ALSO URGE YOU TO LOOK UPON THE WATERWAY AS A TRANSPORTATION AND ECONOMIC DEVELOPMENT CORRIDOR. MANY FACTORS OTHER THAN COMPLETION OF THE WATERWAY IMPACT ON THE EVENTUAL SUCCESS OF THIS PROJECT. THE WATERWAY ALSO AFFORDS OPPORTUNITY FOR

ECONOMIC DEVELOPMENT IN AREAS OF RECREATION. RECREATION FACILITIES ARE NEEDED TO SUPPORT OTHER ECONOMIC DEVELOPMENT AND FOR THE PEOPLE OF THE REGION. THIS CORRIDOR WAS DEVELOPED IN ANTICIPATION OF CERTAIN AREAS EXPERIENCING INTENSIVE RECREATIONAL USE AND I URGE YOU TO RESTORE A COMMITMENT TO ASSURING THAT THOSE OPPORTUNITIES ARE PROVIDED BY PERMITTING CONSTRUCTION OF AT LEAST THOSE MINIMAL FACILITIES FOR RECREATION AS NOW PLANNED TO MEET INITIAL DEMAND UPON COMPLETION OF THE WATERWAY.

GENTLEMEN, I BELIEVE THE ATTACKS ON THE TENNESSEE-TOMBIGBEE WATERWAY PROJECT ARE REFLECTIVE OF THE INTEREST IN THIS PROJECT AND ARE NOT MOTIVATED PRINCIPALLY BY THOSE FEARING THAT THE WATERWAY WILL NOT MEET ITS ANTICIPATED POTENTIAL, BUT COME LARGELY FROM THOSE SERVING INTEREST WHICH ANTICIPATE THAT THE WATERWAY WILL NOT ONLY MEET BUT WILL EXCEED EXPECTATIONS. ONCE AGAIN I URGE YOU TO STAND FAST TO PREVIOUS COMMITMENTS TO OUR REGION. CONTINUE THE PARTNERSHIP AND THE JOINT INVESTMENT TOWARD THE IMPROVED SOCIOECONOMIC WELL-BEING OF ALL THE CITIZENS OF THIS VAST REGION.

I APPRECIATE THE OPPORTUNITY TO TESTIFY ON THIS MOST IMPORTANT PUBLIC WORKS PROJECT TO MY STATE, THE INLAND SOUTHEAST REGION, AND TO THE NATION. ONCE AGAIN I URGE YOUR FULL APPROVAL IN THIS INVESTMENT IN OUR TRANSPORTATION AND ECONOMIC DEVELOPMENT FUTURE.

STATEMENT OF HON. LAMAR ALEXANDER, GOVERNOR OF TENNESSEE

Senator COCHRAN. Thank you, very much, Governor Winter, for that excellent statement.

I would like to now recognize Governor Lamar Alexander from Tennessee. We appreciate very much your being here, Governor. It is good to see you again. We would welcome at this time any statement that you might have for the subcommittee.

Governor ALEXANDER. Thank you, Senator, and Senator Stennis, for the privilege of appearing before you.

Let me subscribe completely to the words of my friend and distinguished colleague, Governor Winter from Mississippi, who has been one of the real leaders and fighters for this Tennessee-Tombigbee Waterway. It is always a little confusing to our friends around the country who think that this project must be primarily in Tennessee, when actually it is mostly in Alabama and Mississippi, I think, but it is of vital importance to our State and I am proud to be here.

I have a statement that I would like to leave for the record and I would like to convey that Governor James of Alabama asked me to speak strongly for him today before the Senate, because he did the same for me this morning in the House on the same subject. He and I both are attending the Advisory Commission on Intergovernmental Relations and we decided to leave at different times and, hopefully, make sure that each committee knew that we feel strongly about this.

Second, there are some, at least one member of our Tennessee Commission: Herman Ewing from Memphis is here. I would like for him to stand as well as other Tennesseans if they are here now.

Senator Cochran. Thank you, very much.

Governor Alexander. Third, I want the three Senators to know that I am extremely careful about coming to Washington and giving advice to U.S. Senators on how to balance the Federal budget, because I don't know how. I think only in the case of the Appalachian Regional Commission since I have been Governor, at least since President Reagan has been elected, have I come here and suggested more spending.

I am proud that in this case, the President has chosen to include this in his budget, which ought to be a signal to virtually everyone that a President that has such budget deficit problems at the moment for the past 2 years has insisted on placing this in his budget, that it is obviously an unassailable point and it would be better to get on to some other issue that is of importance.

Another remark I would like to make in following up my comments is that the Government budget is comprised nowadays of both investments and increasingly of what we might call income maintenance.

I guess, thinking back on it, there was a time when most of the moneys Government spent were for collective investments, that the public felt like it ought to all go together because there really wasn't any way to do it individually or as groups.

Now, we have gotten into the business of spending too much of our money in transfer payments or welfare payments, which, if we can afford it, is a good and compassionate thing to do, but we ought not to lose sight of the need for public investments in the future.

The National Government spends more than half its money on income maintenance; very little, relatively, on investments. We Governors, while we spend less, spend more of our money, almost all of it, on investments; very, very little on income maintenance.

I regard investments as things like education, roads, jobs, preventative health care, all investments for the future. There is no real return that moment, in most instances, for people.

It is primarily something for the future. This is clearly an investment for the future, and if one were making such an investment and had to pick a part of America that needed it the most, if you were to do a study today and forget history, but just come in and take objective empirical evidence today of where the poorest people in the country are who need investments for the future the most, it would be right where this project is today.

As Governor Winter said, in his State the percentage of the national income of Mississippi is 69 percent of the national average.

In Alabama it is 74 to 75 percent. In Tennessee it is a little higher than that over all, but not in the rural western sea port of the State, not in the part of Memphis that is black. There, it is just as poor as any part of Mississippi, any part of Alabama, and poorer than any other part of America.

So, I think that is important for the Nation to remember, that if today, there were to be an investment for the future, these are where the poorest people are, the people who can benefit from the investment made here. Since it makes such inalterable good sense and the President has seen fit to continue it in his budget, I would just like to add my voice to many of those Tennesseans who agree with Governor Winter. It is time for a final decision.

If we are going to do it, let's do it. Let's get on to some other issues. This deserves to be completed.

Thank you.

[The statement follows:]

STATEMENT OF GOV. LAMAR ALEXANDER OF TENNESSEE

Mr. Chairman, it is my pleasure to once again appear before your Committee as a member of the Authority to voice my support for completion of the Tennessee-Tombigbee Waterway.

We, in Tennessee, are very grateful to the President for his continuing support of the Tenn-Tom. I understand his requested budget of $186 million will keep construction on schedule. Just recently while addressing a joint session of the Alabama State Legislature, the President reiterated his Administration's support for completing Tenn-Tom.

As you and the other members of the Committee know very well, funding for water projects, such as Tenn-Tom, are investments which will yield benefits for many years. Both public and private investments in economic development activities are essential if we are to achieve national economic recovery.

It is somewhat disturbing to note that the Federal budget of nearly $800 billion includes only about $155 billion which are considered investments that will yield some future return. Only a small percentage of these funds relate to natural resource development. I do not have to tell you or this Committee the importance of maximizing the national economic benefits from these limited funds. It is a very difficult job you wrestle with each year.

The Tenn-Tom is not a local project nor is it a regional one. Its potential economic impacts extend well beyond the states represented here today. It is indeed a project of national importance.

It will provide $127 million in savings in transportation costs to industries, businesses, and farmers each year over a 50-year period. Some 14 states from as far away as Minnesota to Pennyslvania to Florida will share in these benefits.

My state will be one of the principal beneficiaries of the waterway. Industries and coal producers in east Tennessee will be over 800 miles closer to the deepwater ports along the Gulf of Mexico. Reductions in transportation costs accruing to Tennessee as a result of the Tenn-Tom during its first year of operation, alone, amount to more than $21 million.

An example of the savings offered by the Tenn-Tom is the movement of non-metallic minerals from Mobile to industries in east Tennessee. This ore is now moved by rail at a cost of $17.59 per ton. It will be able to move on the Tenn-Tom at a cost of $9.14 or a savings of $8.45 per ton. This results in nearly a 50 percent reduction in the costs of transportation for this commodity movement.

Coal produced in my state is essentially precluded from foreign markets because of present high costs of transporting the coal to the Gulf for export. Statements will be presented today during this hearing that point out that completion of the Tenn-Tom is the key to whether coal mined in my state can effectively compete for markets abroad.

Over 21 million tons of coal are expected to move on the Tenn-Tom during its first year of operation at a savings of $68 million in costs. These savings will permit increased coal production in Appalachia and create much needed jobs.

About 11.4 million tons of the coal moving on Tenn-Tom are destined for export. These foreign sales will help our balance of trade. Mr. Bill Brock, U. S. Trade Representative and former Senator from my state, stated last year in a letter to Senator Denton of Alabama and I quote, "...I believe that the Tennessee-Tombigbee Project has the potential to provide important benefits for shipping interest and foreign commerce. This is especially important for U. S. coal exports. Increased shipping capacity on the Tennessee-Tombigbee or any major American waterway can do much to encourage and facilitate international trade and to strengthen our domestic economy."

Mr. Chairman, I am confident that you and this Committee will conclude, as you have done in the past, that the Tenn-Tom should be funded and completed as early as the present budget constraints will allow. It constitutes an investment which must be made to improve our national transportation system.

I strongly recommend your approval of the President's budget request for this project.

Thank you.

STATEMENT OF HON. HOWELL HEFLIN, U.S. SENATOR FROM ALABAMA

Senator COCHRAN. Thank you very much, Governor.

We appreciate, again, your being here and providing the subcommittee with that outstanding statement.

We are glad to welcome to the subcommittee at this point before we go any further, our distinguished colleague from the State of Alabama, Howell Heflin, who has joined us.

We already have your full statement, Senator, but we want you to make whatever statement you think is appropriate—it would be helpful to the subcommittee.

Senator Heflin has been very conscientious and an effective Senator in supporting continued appropriations and the final completion of this important project. We welcome you to the subcommittee.

Senator HEFLIN. Thank you, Mr. Chairman.

I look up and I see faces that have always been kind to the waterways. I look and see our leader, Senator John Stennis. I am reminded of a story I heard, Senator.

Jack Nicklaus and Arnold Palmer went to Heaven at the same time. They looked around and they wondered if there was a heavenly golf course. Finally they found it. Jesus with them.

So they decided they would play golf. They asked Jesus to join them and they looked around for another person to play to have a foursome.

There was an old man waiting on a bench, and they asked him if he would play with them. He said he hadn't played in a good while, but he would be glad to join them. So they got up on the first tee and Jack Nicklaus hit the ball 350 yards straight down the fairway with just a slight hook to it.

Then Arnold Palmer got up and hit it 340 yards down the fairway with a slight slice to it. Jesus hits it down the fairway about 300 yards straight down the fairway. The old man got up and hit it only about 125 yards down there. Some of them were muttering under their breath, "Well, it looks like we have got a duffer."

Lo and behold a squirrel came out. It picked up the ball and headed toward the green, when an eagle swooped up the squirrel, headed toward the green and dropped the squirrel on the green and the squirrel coughed up the ball and the ball went in the hole for a hole-in-one.

Jesus turned to the old man and said, "Nice shot, Dad." [Laughter.]

I looked up there and I see Senator Stennis, and I say that up until now, Senator Stennis, you have had some nice shots, and you have done real well. We hope that you will continue to lead us in the quest to make the Tennessee-Tombigbee Waterway a reality. Senator Cochran is a great stalwart of waterway development. We are most grateful to him for all he does in this regard.

Senator Mattingly is coming along, but he, I am sure, will be among the chosen few and among the righteousness——

[Laughter.]

Senator HEFLIN [continuing]. In this battle that we are fighting.

Senator MATTINGLY. I don't play golf. [Laughter.]

Senator HEFLIN. I have submitted a comprehensive statement regarding funding for Alabama water resource development for the next fiscal year. I do want to say a few things about our waterways. Alabama has a great future in waterways, and we are looking forward to their full development on an orderly basis. I thought I might briefly mention two things: One, the Levin amendment and the second, the Hart Building, since the Hart Building is standing right here by us and in the process of being built.

LEVIN AMENDMENT

The Levin amendment that was adopted by the Senate and then adopted by the conference committee on the Energy and Water Development money bill for the 1982 fiscal year was, in my judgment, a wise amendment. It cleared the air as to what the total and actual cost of the Tennessee-Tombigbee would be.

We have had accusations of $3 billion as being the cost of the project; seen the ads in newspapers about $3 billion ditches and editorials in certain unsophisticated and unwise newspapers calling the Tennessee-Tombigbee project a $3 billion boondoggle, but I think the amendment by Senator Levin clarified the issue by saying that south of Demopolis you could not spend any money on the waterway improvements until Congress authorized such action.

That may have been a reaffirmation of existing law, but it clarified the issue, and we now know, without any question, what the total cost of the Tennessee-Tombigbee project will be; namely, $1.8 billion. That is the figure that the Corps of Engineers has used for years.

So with the cost issue clarified, we now know that we are not too far off in regards to the percentage of what is under contract to complete the waterway.

Now, the Hart Building over here, as we look out the window, I came to the Senate 3½ years ago. One of the first votes we had was about the Hart Building. I voted against continuing construction of the building, but it got so far along that we decided it would be foolish to not complete the structure.

As I look out and see the Hart Building, if it had been stopped 2 years ago, we would have probably had to change the name from the Hart Building and called it some name for some Senator who allegedly believed in frugality to the *n*th degree and frugality to an unwise stage. It would have been a monument, really, of proportions that would always have a lot of discredit.

Symbols change. People vote for symbols of certain things, and things reach a certain degree and get along to a point of no return just like the Tennessee-Tombigbee project. It is now pretty well all under contract. It would be very foolish to halt construction of the project at this late date. It is sort of like building a bridge from one shore to another shore, and you get to where you are about 80 percent complete and you are going to leave it out there with only 20 percent incomplete.

So I hope that the Members of the Senate who will read this testimony and their staffs will think about this and will come to the logical conclusion that it would be very foolish to halt construction of the Tennessee-Tombigbee Waterway.

I really think that it has gone to the extent where it would be very foolish to stop the project at this late stage.

ALABAMA WATER RESOURCES DEVELOPMENT PROJECTS

I do want to mention some of the other water resource projects that are of interest to the people of Alabama, particularly the Coosa-Alabama River system. This month we will dedicate in Mobile, Ala., a new cement plant. That cement plant was built in Mobile on the premise that the Coosa-Alabama River system would provide the transportation medium to bring stone, sand, gravel, and other raw materials that are necessary to go into the manufacture of cement.

That plant was located in Mobile because of the fact that the waterway was assumed to be available on a year-round basis.

Right now to stop the Coosa-Alabama and its needed maintenance and its operation would be very foolish in the first instance and, second, would break the faith with the cement manufacturer and similar users of navigation on the river system.

I certainly hope that this committee will be able to approve the request in unbudgeted funds in the amount of a $10.5 million to begin the construction needed to improve the Coosa River for navigation from Montgomery to Gadsden, Ala., and then on to Rome, Ga.

COOSA-ALABAMA RIVER SYSTEM

It should not be forgotten that the inprovement of the Coosa for navigation is a part of the solemn covenant entered into between the people of Alabama and the Federal Government some 28 years ago under the partnership policy espoused by then President Dwight D. Eisenhower which was incorporated in the Rivers and Harbors Act of 1954.

The people of Alabama have fulfilled their obligations under the contract. They expect Uncle Sam to do the same. If the citizens of Alabama and the Nation are to receive the full benefit for their investment, improvement of the Coosa River for navigation must become a reality.

BLACK WARRIOR-TOMBIGBEE RIVER SYSTEM

We also have a request in with regards to the Warrior-Tombigbee, and the President's budget for the fiscal year 1983 calls for $70,806,000 in operation and in the maintenance funds for the Warrior-Tombigbee system and $3,721,000 for similar activities in Mobile Harbor.

I urge the approval for such moneys. The Warrior-Tombigbee system is a bustling system carrying more than 10 million tons of commercial cargo annually. It is one of Alabama's oldest and most reliable inland waterway systems. The importance of the Black Warrior-Tombigbee Waterway will greatly increase with the opening of the Tennessee-Tombigbee Waterway.

Systems such as the Warrior-Tombigbee are vital, commercial feeders to the Port of Mobile, Alabama's only seaport and one of the Nation's great national seaports.

APPALACHICOLA-CHATTAHOOCHEE-FLINT RIVER SYSTEM

I would like to briefly mention the Appalachicola-Chattahoochee and Flint River system. This is also a very important waterway to Georgia, Senator Mattingly's home State, and we feel like the cooperation that has existed between Alabama and Georgia in regards to this has been good.

Our sister State of Florida is now coming around. They finally have not fully concurred in all the proposals to make the waterway fully navigable but they are making progress. We hope that the meeting of the Governors of these three States will prove profitable so that we can proceed with this waterway as it has been projected.

TRI-RIVER WATERWAY, ALA.

There are no funds requested for the operation and maintenance activities on the tri-river system, and if this recommendation stands, this means the complete shutdown of the Appalachicola-Chattahoochee-Flint River system to all commercial transportation.

I think it is nost important that this waterway be fully supported.

We hope that this committee will pay heed to our remarks. I think those that are listening are sort of like the choir. We know that you are on our side. We hope that you will sing to the other members of your committee.

Thank you.

Senator COCHRAN. Thank you very much, Senator.

[The statement follows:]

Statement of Senator Howell T. Heflin

It is more than an ordinary pleasure to again join with a very distinguished array of my Congressional colleagues and fellow Alabamians in support of the appropriation of funds for the continued development of the water resources of Alabama.

My remarks will be brief inasmuch as there are several delegations here today to present their cases to you in behalf of their respective waterway systems. Those who are here today are friends of mine. They have been outstanding in their work to see that the people of Alabama will, in fact, realize and benefit from the vast potential of Alabama's rivers and streams. I warmly commend their testimonies to you.

Mr. Chairman, water is Alabama's richest and most abundant natural asset. Many, if not most, of the projects for which we are seeking funds will serve several purposes at once. More and better economic opportunities, more and better public health and safety, more jobs and a higher standard of living -- indeed, the overall quality of life in our State and elsewhere -- will be enhanced if we fund these projects and bring them to complete fruition.

When rivers and harbors are developed, this creates the means and incentive for entire sections of our nation to move forward. The people of Alabama long ago recognized the merits of the comprehensive development of our State's water resources and they have already enjoyed many of the beneficial effects of the wise development and management of their rivers, streams and ports. But, they will not be content to stop now in mid-stream.

We look to the future. But we chart our course by the past. And when we look back to the growth of our State from partial water resource development, it comes to us how vast indeed are the possibilities that still lie ahead when our waterways are fully developed.

WE ARE MOST GRATEFUL TO THIS COMMITTEE FOR ITS INTEREST AND UNDERSTANDING OF THE FULL DEVELOPMENT OF ALABAMA'S WATER RESOURCES. YOU HAVE BEEN OUR FRIEND. WITH YOUR CONTINUED HELP, ALABAMA WILL GAIN HER RIGHTFUL PLACE AMONG THE STATES AND WILL BENEFIT FULLY FROM HER RESOURCES.

TENNESSEE-TOMBIGBEE WATERWAY

MR. CHAIRMAN, I STRONGLY COMMEND TO YOU THE BUDGET REQUEST IN THE AMOUNT OF $185,000,000 TO CONTINUE CONSTRUCTION OF THE GREAT TENNESSEE-TOMBIGBEE WATERWAY.

I HAVE BEEN AND I CONTINUE TO BE A STAUNCH SUPPORTER OF THE TENNESSEE-TOMBIGBEE WATERWAY. WITH THE APPROVAL OF THE BUDGET REQUEST FOR CONTINUING CONSTRUCTION OF THIS PROJECT, WE WILL MOVE ONE STEP CLOSER TOWARD SEEING THIS MIGHTY WATER HIGHWAY BECOME A REALITY.

AS ALL HERE TODAY KNOW, THE TENNESSEE-TOMBIGBEE WATERWAY HAS LONG BEEN EMESHED IN POLITICS AND SUBJECTED TO VICIOUS ATTACKS. IT STILL REMAINS CONTROVERSIAL, ALTHOUGH WHEN ONE REALIZES HOW MUCH HAS ALREADY BEEN SPENT ON THE PROJECT AND HOW MUCH PROMISE IT HOLDS FOR THE PEOPLE OF OUR NATION, I CANNOT, FOR THE LIFE OF ME, UNDERSTAND WHY ANY RATIONAL THINKING PERSON CAN OBJECTIVELY AND CONSCIENTIOUSLY OPPOSE COMPLETION OF THE PROJECT.

BE THAT AS IT MAY, MR. CHAIRMAN, THIS IS ANOTHER WATERSHED YEAR FOR FUNDING FOR THE TENNESSEE-TOMBIGBEE WATERWAY. I THINK IT IS SAFE TO SAY THAT OPPONENTS OF THE PROJECT WILL CONTINUE THEIR ALMOST UNRELENTING CAMPAIGN TO DESTROY THE PROJECT.

AS WE KNOW, MUCH OF THE OPPOSITION TO THE TENNESSEE-TOMBIGBEE PROJECT HAS BEEN PREDICATED UPON SOME VERY MISLEADING, IF NOT OUTRIGHT UNTRUTHFUL, DATA.

HAPPILY, THE CONGRESS PUT TO REST LAST YEAR ONE OF THE MOST MISLEADING ARGUMENTS AGAINST THE PROJECT, NAMELY, THE COST OF BUILDING THE WATERWAY. AS WE KNOW, FOR YEARS OPPONENTS OF THE PROJECT HAVE INSISTED, IN FACT, SCREAMED, THAT MONEY NEEDED TO COMPLETE THE WATERWAY WAS IN THE NEIGHBORHOOD OF $3 BILLION, NOT $1.8 BILLION AS ESTIMATED BY THE ARMY ENGINEERS. THIS DIFFERENCE IN THE COST FIGURES IS ARRIVED AT BY ALLEGED IMPROVEMENTS THAT

OPPONENTS OF THE PROJECT SAY MUST BE MADE SOUTH OF DEMOPOLIS, ALABAMA, IF THE PROJECT IS TO BECOME ECONOMICALLY EFFECTIVE. WHAT THE OPPONENTS ALWAYS CONVENIENTLY NEGLECTED TO MENTION, HOWEVER, WAS THAT ANY AND ALL OF THESE IMPROVEMENTS--IF ANY ARE NEEDED--MUST BE AUTHORIZED BY THE CONGRESS IN NEW AND SEPARATE LEGISLATION BEFORE THEY CAN GO FORWARD. FURTHER, THE TOMBIGBEE RIVER SOUTH OF DEMOPOLIS IS PART OF AN ALREADY EXISTING WATERWAY SYSTEM, NAMELY, THE WARRIOR-TOMBIGBEE WATERWAY WHICH HAS BEEN IN EXISTENCE SINCE 1915--MIND YOU, FOR SIXTY-SEVEN YEARS.

IN ANY EVENT, WITH SENATE ADOPTION OF THE AMENDMENT OF SENATOR LEVIN LAST YEAR AND ITS SUBSEQUENT ACCEPTANCE BY THE CONFERENCE COMMITTEE, THERE IS NO QUESTION NOW REGARDING THE COSTS DIRECTLY ASSOCIATED WITH THE TENNESSEE-TOMBIGBEE WATERWAY.

NEVERTHELESS, I FULLY EXPECT THAT THE UNREQUITED HOSTILITY OF THE OPPONENTS OF THE TENNESSEE-TOMBIGBEE PROJECT WILL AGAIN REVEAL ITSELF IN FLOOR ACTION IN BOTH CHAMBERS OF THE CONGRESS. WITH 72 PERCENT OF THE COST OF THE PROJECT ALREADY FUNDED AND MORE THAN 80 PERCENT OF THE COST OF THE PROJECT ACTUALLY COMMITTEED TO PROJECT CONSTRUCTION, IT IS DIFFICULT TO ASSESS AND UNDERSTAND THE MOTIVATIONS AND PURPORTED REASONINGS BEHIND THE CONTINUING OPPOSITION TO THE WATERWAY, EXCEPT TO DESTROY IT NO MATTER WHAT FAVORABLE BENEFITS AWAIT OUR CITIZENS AND OUR NATION WHEN THE WATERWAY BECOMES OPERATIONAL.

THERE IS ABSOLUTELY NO DOUBT IN MY MIND THAT THE TENNESSEE-TOMBIGBEE WATERWAY--WHEN COMPLETED--WILL STAND AS A MONUMENT TO THE PROGRESS OF THE ENTIRE NATION. WE ARE ON THE THRESHOLD OF SEEING THE TENNESSEE-TOMBIGBEE PROJECT REACHING FRUITION. WE SIMPLY CANNOT LET IT DIE. THAT WOULD BE THE ULTIMATE TRANSGRESSION.

COOSA-ALABAMA RIVER SYSTEM

MR. CHAIRMAN, I AM HAPPY TO HAVE THE OPPORTUNITY TO AGAIN SPEAK IN BEHALF OF FUNDS FOR THE CONTINUED DEVELOPMENT OF THE COOSA-ALABAMA WATERWAY.

BEFORE SPECIFICALLY ADDRESSING MYSELF TO THE FUNDING NEEDED TO INSURE THE ORDERLY DEVELOPMENT OF THIS VITAL WATERWAY, I SHOULD LIKE TO PAUSE AND PAY TRIBUTE TO THE LONG-TIME LEADER OF THE COOSA-ALABAMA RIVER IMPROVEMENT ASSOCIATION, DR. ROBERT F. HENRY, WHO PASSED AWAY LAST YEAR. FOR THE FIRST TIME IN MORE THAN A QUARTER OF A CENTURY, DR. HENRY WILL NOT BE HERE TO PRESENT THE CASE FOR THE COOSA-ALABAMA RIVER SYSTEM. HE WAS THE DRIVING FORCE BEHIND THE EFFORT TO DEVELOP THIS SPLENDID WATERWAY AND I THINK IT CAN, IN TRUTH, BE SAID THAT WITHOUT THE FERVOR AND DEDICATION OF BOB HENRY THERE IS A GOOD POSSIBILITY THAT THE COOSA-ALABAMA RIVER SYSTEM WOULD STILL BE A MUDDY, SLUGGISH STREAM UNDEVELOPED FOR NAVIGATION, POWER PRODUCTION AND RECREATIONAL ACTIVITIES.

WE ALL OWE BOB HENRY AN EVERLASTING DEBT OF GRATITUDE FOR ALL HE DID TO MAKE THE DEVELOPMENT OF THE COOSA-ALABAMA RIVER SYSTEM A REALITY. IN HONOR AND MEMORY OF HIS STEADFAST WORK, SENATOR DENTON AND I HAVE INTRODUCED LEGISLATION IN THE SENATE TO RENAME THE JONES BLUFF LOCK AND DAM AFTER DR. HENRY. WHEN WE CONVENE AT THIS COMMITTEE NEXT YEAR FOR THE PURPOSE FOR WHICH WE ARE MEETING TODAY, I HOPE TO BE ABLE TO SAY THAT OUR BILL HAS BECOME THE LAW OF THE LAND.

MR. CHAIRMAN, YOU HAVE BEFORE YOU THE FUNDING REQUEST OF THE COOSA-ALABAMA RIVER SYSTEM FOR THE 1983 FISCAL YEAR. I COMMEND THIS TESTIMONY TO YOU. I WOULD HOPE THAT THE COMMITTEE WOULD BE ABLE TO APPROVE THE REQUEST IN UNBUDGETED FUNDS IN THE AMOUNT OF $10.5 MILLION TO BEGIN CONSTRUCTION NEEDED TO IMPROVE THE COOSA RIVER FOR NAVIGATION FROM MONTGOMERY TO GADSDEN, THENCE TO ROME, GEORGIA.

IT SHOULD NOT BE FORGOTTEN THAT IMPROVEMENT OF THE COOSA FOR NAVIGATION IS A PART OF THE SOLEMN COVENANT ENTERED INTO BETWEEN THE PEOPLE OF ALABAMA AND THE FEDERAL GOVERNMENT SOME TWENTY-EIGHT YEARS AGO UNDER THE PARTNERSHIP POLICY ESPOUSED BY THEN PRESIDENT DWIGHT D. EISENHOWER, WHICH WAS INCORPORATED IN THE RIVERS AND HARBORS ACT OF 1954. THE PEOPLE OF ALABAMA HAVE FULFILLED THEIR OBLIGATIONS UNDER THE CONTRACT. THEY EXPECT UNCLE SAM TO DO THE SAME. IF THE CITIZENS OF ALABAMA AND THE NATION ARE EVER TO RECEIVE THE FULL BENEFITS FROM THEIR INVESTMENT, IMPROVEMENT OF THE COOSA RIVER FOR NAVIGATION MUST BECOME A REALITY.

I ALSO URGE THE COMMITTEE TO RESTORE FULL OPERATION AND MAINTENANCE FUNDING FOR THE COOSA-ALABAMA RIVER SYSTEM. IT IS MOST IRONIC TO ME THAT AT THE VERY TIME OUR GOVERNMENT IS STRUGGLING TO REVIVE AND EXPAND OUR SAGGING ECONOMY AND TO REDUCE UNEMPLOYMENT, THIS PROJECT -- WHICH WILL MEAN MUCH TO THE ECONOMIC GROWTH OF OUR NATION -- IS BEING HELD HOSTAGE TO ZEALOUS EFFORTS OF DIRECTOR DAVID STOCKMAN OF THE OFFICE OF MANAGEMENT AND BUDGET TO DRASTICALLY

CHANGE THE METHOD OF FINANCING OUR WATERWAYS BY THE IMPOSITION OF INLAND WATERWAY USER CHARGES.

I MAY SAY THAT I LEARNED OF THIS ATTEMPTED EXTORTION ON THE PART OF MR. STOCKMAN SHORTLY BEFORE THE ADMINISTRATION SENT ITS BUDGET FOR THE 1983 FISCAL YEAR TO THE CONGRESS. IN AN EFFORT TO HEAD OFF THIS DRASTIC PROPOSAL, I WROTE THE PRESIDENT STRONGLY URGING THAT HE REJECT THE PROPOSAL PRIOR TO THE SUBMISSION OF HIS BUDGET. APPENDED TO MY TESTIMONY IS A COPY OF MY LETTER AND I SHOULD LIKE TO MAKE IT A PART OF THE PRINTED RECORD OF THIS HEARING.

IT MAY BE THAT AN EQUITABLE SYSTEM OF COST RECOVERY FOR WATERWAY INVESTMENTS MAY BE ADOPTED IN THE FUTURE. I DO NOT KNOW THIS TO BE A FACT NOR DOES ANYONE ELSE AT THIS TIME. IN ANY EVENT, WE CANNOT RISK A CUT IN THE OPERATION AND MAINTENANCE RESPONSIBILITIES OF THE ARMY ENGINEERS BEFORE A COST RECOVERY SYSTEM HAS BEEN ADOPTED AND THE REVENUES BEGIN TO FLOW INTO THE COFFERS OF THE ARMY ENGINEERS. I, THEREFORE, URGE THAT THIS COMMITTEE PROVIDE THE MONIES NEEDED TO CARRY OUT THE OPERATION AND MAINTENANCE ACTIVITIES OF THE ARMY ENGINEERS ON THE COOSA-ALABAMA RIVER SYSTEM AND ELSEWHERE.

WARRIOR-TOMBIGBEE WATERWAY AND MOBILE HARBOR

MR. CHAIRMAN, THANK YOU FOR THIS OPPORTUNITY TO AGAIN APPEAR BEFORE THIS COMMITTEE IN BEHALF OF FUNDS FOR THE WARRIOR-TOMBIGBEE WATERWAY AND MOBILE HARBOR.

THE PRESIDENT'S BUDGET FOR THE 1983 FISCAL YEAR CALLS FOR $7,806,000 IN OPERATION AND MAINTENANCE FUNDS FOR THE WARRIOR-TOMBIGBEE SYSTEM AND $3,721,000 FOR SIMILAR ACTIVITIES AT THE MOBILE HARBOR. I PRESUME THESE REQUESTS ARE NOT REDUCED FIGURES SUCH AS ARE FOUND ELSEWHERE IN THE BUDGET IN THE EFFORT TO CURTAIL OPERATING HOURS OR OTHER SERVICES ON CERTAIN INLAND WATERWAYS. IF ADDITIONAL FUNDS ARE NEEDED, HOWEVER, TO KEEP THE WATERWAY AND THE HARBOR FULLY OPERATIONAL, I URGE THE APPROVAL OF SUCH MONIES.

THE WARRIOR-TOMBIGBEE SYSTEM IS A BUSTLING WATERWAY, CARRYING MORE THAN 15 MILLION TONS OF COMMERCIAL CARGO ANNUALLY. IT IS ONE OF ALABAMA'S OLDEST AND RELIABLE INLAND WATERWAY SYSTEMS. THIS OUTSTANDING RIVER HIGHWAY SERVES WESTERN AND CENTRAL ALABAMA'S NAVIGATIONAL NEEDS AND MOVES A VARIETY OF COMMODITIES. AS I STATED IN THE LETTER I WROTE THE PRESIDENT EARLIER THIS YEAR -- WHICH MAY

BE FOUND ELSEWHERE IN MY TESTIMONY TODAY -- THE IMPORTANCE OF THE WARRIOR-TOMBIGBEE WATERWAY WILL GREATLY INCREASE WITH THE OPENING OF THE TENNESSEE-TOMBIGBEE WATERWAY. WE OF ALABAMA ARE PROUD OF OUR INLAND WATERWAY SYSTEM AND THE MANY BLESSINGS AND BENEFITS THEY RETURN TO THE CITIZENS OF OUR STATE AND NATION.

SYSTEMS SUCH AS THE WARRIOR-TOMBIGBEE ARE VITAL COMMERCIAL FEEDERS TO THE PORT OF MOBILE, ALABAMA'S ONLY SEAPORT AND ONE OF THE NATION'S GREAT NATIONAL SEAPORTS. THE PORT OF MOBILE IS STRATEGICALLY LOCATED AND FOR YEARS HAS RANKED AMONG THE TOP TEN PORTS IN THE UNITED STATES. WITH THE OPENING OF THE TENNESSEE-TOMBIGBEE WATERWAY, TONNAGE HANDLED AT AND PASSING THROUGH MOBILE HARBOR INCREASED TREMENDOUSLY, THUS IT IS IMPORTANT THAT WE TAKE THE STEPS NECESSARY TO INSURE THE FREE AND UNHAMPERED FLOW OF COMMERCE THROUGH THE PORT FACILITY.

IN CLOSING, I SHOULD LIKE TO BRIEFLY COMMENT UPON THE STUDY BEING CONDUCTED BY THE ARMY ENGINEERS TO DETERMINE WHAT MEASURES SHOULD BE CONSIDERED TO IMPROVE THE WARRIOR-TOMBIGBEE SYSTEM FOR NAVIGATION. THIS STUDY, WHICH I UNDERSTAND WILL BE COMPLETED IN THE NEXT FISCAL YEAR, UNDOUBTEDLY WILL CONTAIN A RECOMMENDATION TO REPLACE THE EXISTING LOCK AT WILLIAM BACON LOCK AND DAM NEAR TUSCALOOSA WITH A NEW LOCK OF MODERN DIMENSIONS TO ACCOMMODATE GROWING NAVIGATION DEMANDS IN THAT REACH OF THE RIVER SYSTEM. IN ADOPTING THE SO-CALLED LEVIN AMENDMENT LAST YEAR IN THE FIGHT OVER FUNDING FOR THE TENNESSEE-TOMBIGBEE WATERWAY, WE MADE IT ABUNDANTLY CLEAR THAT THE PROVISIONS OF THE AMENDMENT WOULD IN NO WAY INTEREFERE WITH OR IMPEDE THE WARRIOR-TOMBIGBEE STUDY, INSOFAR AS DETERMINING WHAT IMPROVEMENTS, IF ANY, MAY BE NEEDED ON THE TOMBIGBEE RIVER SOUTH OF DEMOPOLIS. THUS, THERE IS NO BAR TO COMMITTEE APPROVAL OF THE FUNDS NEEDED TO COMPLETE THIS IMPORTANT STUDY.

APALACHICOLA-CHATTAHOOCHEE-FLINT WATERWAY

MR. CHAIRMAN, LAST YEAR I TESTIFIED IN BEHALF OF OPERATION AND MAINTENANCE FUNDS FOR THE APALACHICOLA-CHATTAHOOCHEE-FLINT RIVER SYSTEM. THESE FUNDS WERE IN THE BUDGET AT THAT TIME AND WERE ADOPTED BY THE CONGRESS IN PASSING THE CIVIL WORKS MONEY BILL FOR THE 1982 FISCAL YEAR. IN MY TESTIMONY LAST YEAR, I MADE REFERENCE TO THE SEVERE NAVIGATION PROBLEMS EXPERIENCED ON THIS WATERWAY IN

RECENT YEARS. ALTHOUGH THE EXISTING NAVIGATION PROJECT CONTEMPLATED AND AUTHORIZED A NAVIGATION CHANNEL FROM THE INTERSECTION OF THE GULF INTRACOASTAL WATERWAY TO COLUMBUS, GEORGIA, ON THE CHATTAHOOCHEE RIVER AND TO BAINBRIDGE, GEORGIA ON THE FLINT RIVER, IT HAS BEEN EXTREMELY DIFFICULT TO MAINTAIN THE REQUIRED 9-FOOT DEPTH IN THE NAVIGATION CHANNEL ON THE APALACHICOLA RIVER.

THE ARMY ENGINEERS HAVE DEVELOPED FEASIBLE PLANS TO MAINTAIN THE REQUIRED DEPTH IN THE NAVIGATION CHANNEL ON A YEAR-ROUND BASIS. THESE IMPROVEMENTS HAVE BEEN ENDORSED BY THE STATE OF ALABAMA AND GEORGIA. UNFORTUNATELY, OUR SISTER STATE OF FLORIDA HAS NOT YET FULLY CONCURRED IN ENDORSING ONE OF THE ALTERNATIVE PROPOSALS WHICH WOULD MAKE THE RIVER SYSTEM FULLY NAVIGABLE. AS THE COMMITTEE KNOWS, HOWEVER, THERE HAS BEEN A MEETING OF THE GOVERNORS OF THE THREE STATES INVOLVED AND I AM HOPEFUL THAT ONE OF THE ALTERNATIVES PROPOUNDED BY THE ARMY ENGINEERS WILL BE MUTUALLY AGREED UPON IN THE DAYS TO COME.

IN THE MEANTIME, WE FIND IN THE NEW BUDGET PRESENTED BY THE ADMINISTRATION THERE ARE NO FUNDS REQUESTED FOR OPERATION AND MAINTENANCE ACTIVITIES ON THE TRI-RIVERS SYSTEM. IF THIS RECOMMENDATION STANDS, THIS WILL MEAN THE COMPLETE SHUT DOWN OF THE APALACHICOLA-CHATTAHOOCHEE-FLINT RIVER SYSTEM TO ALL COMMERCIAL TRANSPORTATION.

REPRESENTATIVES OF THE TRI-RIVERS WATERWAY DEVELOPMENT ASSOCIATION ARE HERE TODAY TO PRESENT THE CASE IN BEHALF OF ADEQUATE FUNDING TO PERMIT CONTINUED DREDGING AND SNAGGING OPERATIONS ON THE WATERWAY BY THE ARMY ENGINEERS. THEY WILL ALSO URGE THE COMMITTEE TO APPROVE FUNDS TO BEGIN ROCK REMOVAL FROM WITHIN THE NAVIGATION CHANNEL. I ENDORSE AND COMMEND THEIR RECOMMENDATIONS TO YOU.

APPENDED TO MY TESTIMONY IS A REPRINT OF AN EDITORIAL FROM THE COLUMBUS, (GA.) ENQUIRER, REGARDING THE SITUATION ON THE TRI-RIVERS WATERWAY WHICH I SHOULD LIKE TO MAKE A PART OF THE PRINTED RECORD OF THE HEARINGS.

THANK YOU.

Letter From Senator Howell T. Heflin

February 2, 1982

The President
The White House
Washington, DC 20500

Dear Mr. President:

It has come to my attention that, under pressure from the Office of Management and Budget to reduce expenditures, the Corps of Engineers has instructed its District Engineers to prepare to shut down certain inland waterways and reduce operations and maintenance activities on others.

The Corps' recent directive ordered "limited hours of operation" on moderate-volume waterways--those carrying five to 30 million tons of cargo a year. It also ordered the closure of waterways with traffic of less than five million tons per year.

Mr. President, it is my understanding that under these criteria, three waterways vitally important to the State of Alabama and its economy would be affected. The Coosa-Alabama and the Apalachicola-Chattahoochee-Flint Waterway Systems would be closed and the Warrior-Tombigbee Waterway would face reduced operation.

While these waterways may not impress federal officials in Washington as being important, to the people of Alabama they hold great significance. The Apalachicola-Chattahoochee-Flint is still emerging as an important transporter of fertilizer and farm products. It provides important services to the people of Southeastern Alabama as well as parts of Georgia and Florida.

The Alabama River provides a commercial barge link between the center of our state and the Gulf of Mexico at the Port of Mobile. It is important in the movement of sand, gravel and other building materials, as well as for the transportation of large tonages of pulpwood and wood products. It also carries fertilizer, farm products and petroleum and refined fuels.

The Warrior-Tombigbee is a bustling waterway, carrying nearly 15 million tons of commercial cargo in 1978 (the most recent year for which we have been able to obtain statistics). It serves Alabama's coal and steel industry and moves a variety of other commodities, including petroleum, chemicals, wood products and agricultural goods.

Mr. President, the Warrior-Tombigbee's importance will increase with the opening of the Tennessee-Tombigbee Waterway which will link the Tennessee River and its tributaries with Mobile Bay via the Warrior-Tombigbee System. It would seem the height of folly to reduce operations and maintenance on one portion of this network at the same time construction is going forward on the other.

I urge you to direct a reexamination of the criteria which the Corps seeks to implement and indeed to reexamine OMB's directive that the Corps make a $150 million cut in its FY 1983 operations and maintenance budget.

Inland waterways comprise a very efficient system of transportation, contributing greatly to the national economic vitality which we all seek. In constant dollars, waterway expenditures for both construction and operations and maintenance have steadily decreased over the past several years. A drastic cut on top of this general trend could seriously compromise this transportation system.

The loss to the economy in unemployment and reduced agricultural and industrial productivity could far outweigh the $150 million budget savings contemplated in the OMB directive.

Sincerely,

Howell Heflin

[From the Columbus (Ga.) Enquirer, Tuesday, Feb. 9, 1982]

TRI-RIVERS THREAT

At one time the Chattachoochee River was the lifeblood of the Columbus area.

That's no longer true. The development of other forms of transportation—railroads, highways, airplanes—have eased citizens' dependence on the river as a means of travel and shipping goods.

But it still plays an important role.

Evidence may be found in the fact that shipping on the river often reaches as high as one million tons a year.

Since World War II the Chattahoochee has been growing in importance.

This is the result of a long-range federal effort to improve the Tri-Rivers Waterway—consisting of the Chattahoochee, Flint and Apalachicola rivers—and make it navigable year-round. The Army Corps of Engineers has built a series of dams and conducts regular dredging operations.

Sen. Howell Heflin, D-Ala., took note of this progress when he declared the waterway is emerging as a major transporter of fertilizer and farm products in Georgia, Alabama and Florida.

Now the waterway is facing a threat that could set it back many years.

As part of his new budget, President Reagan is proposing a $150 million cut in funding for the Corps of Engineers—which could force abandonment of less-used waterways, including the Tri-Rivers.

Although we understand the problem Reagan faces, we're not sure that the Tri-Rivers Waterway—on which many farmers and businesses depend for economic survival—is a proper place to cut.

In Sen. Heflin's words: "The loss to the economy in unemployment and reduced agricultural and industrial productivity could far outweigh the $150 million savings."

It's revealing—and somewhat reassuring—that many feel Reagan's move is not a real threat but pressure on Congress to raise shippers' user fees.

A spokesman for the Washington-based National Waterways Conference said:

"We're concerned but not alarmed. This represents pressure by the Office of Management and Budget to strong-arm Congress on user fees."

As we've said before, we don't object to reasonable user fees. It makes sense that shippers should pay a fair share of the cost of developing and maintaining waterways.

But the maneuvering strikes a sour note.

The Tri-Rivers Waterway is too important to allow it to become a political football in the struggle over federal budget funds.

STATEMENT OF HON. MARTHA LAYNE COLLINS, LIEUTENANT GOVERNOR OF KENTUCKY

Senator COCHRAN. We appreciate so much your being here and providing us with that statement. I would like to now recognize Lieutenant Governor Collins to make any statement or observations that you would care to. We appreciate your being here. We again welcome you to the subcommittee.

Governor COLLINS. Thank you, Mr. Chairman.

We are delighted to be here to have the opportunity to come before this distinguished committee. I come today not only as a member from

Kentucky on the Tennessee-Tombigbee Waterway Development Authority, but also as the representative of Gov. John Brown of Kentucky, who is serving as chairman of the authority this year.

Governor Brown asked that I convey to you his sincere regrets that he could not be here today, but we are in the final phase of our legislative session. I think you understand why he felt he could not leave the State at this time. He does regret that he could not be here, and he is very supportive.

Kentucky is very proud to be a part of this effort. Our Senators, Senator Huddleston and Senator Ford, are very supportive. We are proud to be a part of something so important not just to our area, but to the Nation, because we know of the tremendous impact it will have for the whole country.

We would like to express to you our gratitude for this committee's continuing and unwavering support for the Tennessee-Tombigbee Waterway because without that, the waterway would be merely a dream instead of a nearly completed reality.

CURRENT STATUS

Construction of the Tennessee-Tombigbee is over 70 percent completed now. By the end of this fiscal year, nearly $1.5 million will have been invested in this project, including Federal and State funds. The navigation facilities such as the locks and dams and channel work will be nearly 80 percent completed by the end of this fiscal year. Over 130 miles of the 234-mile waterway are open, and approximately 4.9 million bushels of grain have been shipped on the project south of Columbus, even though the waterway is not yet officially open to commercial navigation.

This unexpected early use of the Tennessee-Tombigbee indicates the great potential of the waterway for moving commerce at a lower cost. Although the project is nearing completion, there are a few who would continue to urge the Congress to stop its construction.

The project's supporters have never opposed reductions in funding for the waterway if fiscal policy dictated such constraints, but to abandon the project at this juncture and waste a total investment of nearly $1.5 billion would be absolutely unthinkable.

PROJECT BENEFITS

If the Tennessee-Tombigbee Waterway were stopped now, only about $6 million in annual benefits would be realized from the portion of the waterway that has been completed. This compares to an estimated $151 million annually in benefits that would be realized if an additional $530 million is invested and the project completed.

There is no question that economics overwhelmingly dictate completion of the waterway.

The American economy is struggling through very difficult times. Domestic markets and international trade are continually being lost to foreign competitors. The automotive, steel, and coal industries are good examples of industries that must remain competitive to survive.

More efficient transportation is one of the principal ways to increase productivity and decrease the cost of goods and thus retain existing markets and recover the lost ones.

U.S. coal production is especially sensitive to transportation costs. Kentucky is the leading coal producing State. The lack of cheaper rates for transportation is inhibiting some of our coal producers from competing with foreign producers, even for domestic markets such as the utilities industry along the gulf coast.

We have some letters from coal companies indicating the potential savings in transportation costs offered by the Tennessee-Tombigbee that will make the difference in where some U.S. coal is produced or whether it stays in the ground.

We have submitted these letters for the record.

We also have representatives from electric utilities with us today and others who will speak about the importance of Tennessee-Tombigbee in transporting coal. The Tennessee-Tombigbee Waterway Development Authority recently polled some key industries in the waterway's region to determine their interest in the project.

This limited sampling of industries indicated that as much as 30 million tons of potential commerce could move on the Tennessee-Tombigbee from these industries alone.

And this only scratches the surface of the Tennessee-Tombigbee's potential.

I will submit for the record the responses we received from the industries as a result of this survey.

We are very pleased that the President has included $186 million for the Tennessee-Tombigbee in his budget request for 1983. This level of funding is sufficient to keep the navigable features of the project on schedule for completion in 1986.

RECREATION FACILITIES

However, the President's budget request does delay indefinitely construction of recreational facilities along the waterway. The implications of the recreational development deferrals, as well as the reduction in maintenance funds for the waterway, will be discussed by others during this hearing.

I do, again, want to thank you, the members of this committee, for your continued support. We are confident that the Tennessee-Tombigbee will be given fair consideration in your deliberations in the 1983 budget.

Thank you.

Senator COCHRAN. Thank you, very much, Governor.

We appreciate your statement and your being here today to represent Governor Brown, who is chairman of the authority this year. You were a very fine substitute. I think you have added greatly to the hearing of the committee.

[The statements follow:]

STATEMENT OF GOV. JOHN Y. BROWN OF KENTUCKY

Mr. Chairman, I appreciate this opportunity to appear before you and the other members of this Committee today. I come here today in two official capacities--as Governor of Kentucky and as Chairman of the Tennessee-Tombigbee Waterway Authority. Joining me are Governor James of Alabama, Governor Winter of Mississippi and other officials from the five member states of the Authority.

First, I want to express our gratitude for this Committee's continuing and unwavering support for the Tennessee-Tombigbee Waterway. Without your support, the waterway would be merely a dream instead of approaching a reality.

Construction of Tenn-Tom is now approaching 70 percent completion. For the first time, we can now begin to anticipate its availability. By the end of this fiscal year, nearly $1.5 billion will have been invested in the project, including Federal and state costs.

The navigation facilities, themselves, such as the locks and dams and channel work, will be nearly 80 percent completed by the end of this fiscal year. Over 130 miles of the 234-mile waterway are already open. Already about 4.9 million bushels of grain have been shipped on the project south of Columbus although the waterway is not officially open to commercial navigation. This unexpected early use of the Tenn-Tom portends the great potential of the waterway for moving commerce at lower costs.

Even though the project is nearing completion, there are a few who continue to elicit the Congress to stop its construction. The project supporters have never opposed reductions in funding for the waterway if fiscal policy dictated such constraints. But to abandon the project at this juncture and waste a total investment of nearly $1½ billion would be unconscionable. We are confident the Congress will not make such a tragic and foolish decision.

To stop the Tenn-Tom now, only about $6 million in annual benefits would be realized from the sunk investment. This compares to an estimated $151 million annually in benefits if an additional $530 million is invested and the project is completed. There is no question that economics overwhelmingly dictate completion of the waterway.

American businesses, both labor and management, are struggling through some of its most difficult times. Both domestic markets and international trade are continually being lost to foreign suppliers. Automobile, steel and coal industries are good examples. More efficient transportation is one of the principally remaining means to increase productivity and decrease costs of goods and, thus, recapture these lost markets.

U. S. coal production is especially sensitive to transportation costs. Kentucky is the leading coal producing state. The lack of cheaper cost transportation is inhibiting some of our producers to compete with foreign sources, even for domestic markets such as utilities along the Gulf Coast.

I have with me some letters from coal companies indicating that potential savings in transportation costs offered by the Tenn-Tom will be the difference in whether some coal is produced or whether it stays in the ground.

We also have representatives from electric utilities with us today who will speak later on the importance of Tenn-Tom in transporting coal.

Tenn-Tom's opponents have attempted to portray--and I must agree with some success--the Tenn-Tom in the national news media as a "boondoggle".

While we have never doubted the economic feasibility or transportation worth of the Tenn-Tom, the Authority did recently poll some industries in the waterway region to determine their interest in the project. This canvass or sampling of industries obviously was not comprehensive and not purported to be a conclusive analysis of the commercial value of the Tenn-Tom. However, the response we received indicated that as much as 25 million tons of potential commerce could move on the Tenn-Tom from these industries, alone. A more thorough study would undoubtedly identify many other users.

We request that the responses we received from the industries as a result of this canvass be included as part of the record of this hearing.

We are pleased that the President has included $186 million for the Tennessee-Tombigbee in his budget request for 1983. This level of funding is sufficient to keep the navigational features of the project on schedule for completion in 1986.

The President's budget request, however, does delay indefinitely construction of recreational facilities along the waterway. The implications of the recreational development deferrals as well as the reduction in maintenance funds for the waterway will be discussed by others later during this hearing.

In closing, I want to thank this Committee again for its past support for the Tennessee-Tombigbee. Knowing of your continued support, we can be confident Tenn-Tom will be given equitable consideration in your actions on the 1983 budget. I don't envy you knowing the difficult budget decisions you will have to make this year.

STATEMENT OF WILLIAM F. CONLEY, APPALACHIAN NATURAL RESOURCES

We have long been a great supporter of the Tennessee-Tombigbee Waterway, as we realize how important this waterway is to the Eastern Kentucky, East Tennessee, and Southwest Virginia coal industry. We have plans under way and have already optioned property whereby rail coal will come in to the Tennessee River near Harriman, Tennessee, and be transloaded onto open hopper barges for shipment to Mobile for export. This facility will be capable of transloading not less than 5 million tons per year from rail to barge.

Now, in addition to this tonnage, we expect the Tombigbee will open up a lot of industrial sites to industries that will use coal, and we anticipate hauling coal to these industries which will be loaded up and down the Tennessee River near Knoxville or Clinton, Tennessee.

The Eastern Kentucky and East Tennessee coal fields have never been able to ship export coal due to the freight rates involved in shipping to Eastern ports, such as Norfolk or Hampton Roads, but with the Tennessee-Tombigbee Waterway we will have access to the export market, which will be a great boom to the coal industry in the locales mentioned.

Now, then, not only do we expect the waterway to open up a transportation need for coal but for a lot of other bulk commodities.

Let me say that we have approximately 25 million dollars invested in 11 towboats and 250 barges. We now operate on most of the inland waterways, and we expect that the Tombigbee will have a great potential.

Anything we can do to help or assist in its completion, do not hesitate to let us know.

Letter From George H. McKean, on Behalf of North American Gulf Terminals, Inc.

January 29, 1982

Mr. Glover Wilkins, Administrator
Tennessee-Tombigbee Waterway
  Development Authority
Post Office Drawer 671
Columbus, MS 39701

RE: NORTH AMERICAN GULF TERMINALS, INC.

Dear Mr. Wilkins:

On behalf of the above-referenced corporation and in response to your letter of January 26, 1982 requesting information regarding projections of tonnage that would benefit from the completion of the Tennessee-Tombigbee Project, the following information is offered.

North American Gulf Terminals, Inc. is an Alabama corporation that has been formed to develop and operate a bulk handling facility for the storage, handling, loading, and unloading of coal and grain between storage, rail cars, barges, and ships. The facility is situated on approximately 250 acres and fronts on the Theodore Ship Channel and Mobile Bay near Mobile, Alabama. The proposed facility will ultimately have two 60 feet wide by 1,000 feet long pile-supported docks each capable of mooring 40 feet draft ships. Each of the docks will have barge capability on the opposite side from the ship, and, in addition the project will also have a barge fleeting and barge unloading area with approximately 4,000 feet of frontage on Mobile Bay. The facility is serviced by the L&N and/or Alabama State Docks' railroad system, and is being designed to handle both coal and grain in multiple unit train capability.

Projections are for an initial phase capability of handling 5 to 10 million tons of coal per year and 5 to 10 million bushels of grain per year with expanded coal capability during later phases up to 20 million tons per year and grain up to 50 to 60 million bushels per year. Initial projections anticipate approximately 70 % of the coal tonnage and 50 to 70% of the grain capacity to arrive by barge by way of the Tennessee-Tombigbee Waterway. It is hoped that permitting can be completed by mid 1982, with initial phase construction beginning by mid 1983 and the facility initial phase being on line by 1985-1986.

Significant interest has been indicated by potential users for both coal and grain. Hopefully, this information will be of some value to you and we would like to thank you for your many efforts in working towards the completion of the waterway.

Cordially,

GEORGE H. McKEAN

Letter From B. W. Thompson, Jr., Manager of Fuels, Alabama Electric Cooperative, Inc.

February 8, 1982

Mr. Glover Wilkins, Administrator
Tennessee-Tombigbee Waterway Development Authority
P. O. Drawer 671
Columbus, MS 29701

Dear Mr. Wilkins:

This is in response to the January 22, 1982 letter signed by Governor James of Alabama and Governor Brown of Mississippi requesting an estimate of the tonnage and type of commodity Alabama Electric Cooperative, Inc. (AEC) expects to move on the Tennessee-Tombigbee (Tenn-Tom).

Presently AEC is receiving 132,000 tons of coal annually by rail from East Tennessee to its Tombigbee Station located at mile point 89 on the Tombigbee River. AEC's traffic consultant has made a preliminary study which shows that it will be more economical to move this tonnage by water once the Tenn-Tom is in operation.

In addition to the 132,000 tons of coal from East Tennessee AEC is estimating to burn an additional 868,000 tons annually at its Tombigbee Station. Presently AEC has a long term contract for 400,000 tons of this requirement with the remaining 468,000 tons to be supplied by short term contract and spot purchases. It's projected for this coal to be supplied from the Warrior coal field in Alabama and shipped via rail and the Warrior/Tombigbee Rivers.

Depending on market conditions at the time the Tenn-Tom goes into operation, there is the possibility that some or all of the 468,000 tons could be switched to the Tenn-Tom. However, at this point it's impossible to project how much. It will depend on the price and availability of coal from Alabama versus same for coal delivered by the Tenn-Tom.

AEC has selected a site on the Tombigbee River in Choctaw County, Alabama for its next fossil-fired generating station. It's projected that this plant will go in service sometime in the early 1990's and will burn approximately three million tons of coal annually. It's possible all or a portion of this tonnage could move via the Tenn-Tom.

I regret that I am unable to give you more precise information, but this is the best I can do at the present. Should you have any questions, please give me a call.

Very truly yours,

ALABAMA ELECTRIC COOPERATIVE, INC.

B. W. Thompson, Jr.

B. W. Thompson, Jr.
Manager of Fuels

LETTER FROM H. H. KELLER, PRESIDENT, INTERNATIONAL COAL SALES, INC.

February 15, 1982

Mr. Glover Wilkins,
Administrator
Tennessee-Tombigbee Waterway
Development Authority
P.O. Drawer 671
Columbus, Mississippi 39701

Dear Mr. Wilkins:

We are in the export coal business and the completion of the Tombigbee is not only vital to our operation but to the coal industry in East Tennessee and East Kentucky.

The difference in mileage to the Gulf Ports, using current waterways versus the Tombigbee is the difference between non-marketable and marketable coal. Pricing for the foreign market of East Tenneessee/Kentucky coal is currently prohibitive because of exorbitant transportation costs and inadequate transportation capacity.

We can currently ship coal on the Ohio-Mississippi system from Pennsylvania cheaper than we can ship KY-TN coal which is 800-900 miles closer to the Gulf. The entire area, of over one-billion tons reserves, is land-locked.

We expect to ship one-million tons of coal by water in 1983; increasing to 5-million tons per year by 1987. A major portion of this will be through the Tombigbee, if it is completed. If not, we have alternative coal producers set up in South America.

Please feel free to call on us if we can be of service.

Very truly yours,

J. H. Keller

J. H. Keller
President

[From the Wall Street Journal, Monday, March 1, 1982]

COAL PRODUCERS FEAR DROP IN FOREIGN SALES IF ICC APPROVES RAIL RATE DEREGULATION

(By Carol Hymowitz,
Staff reporter of the Wall Street Journal)

American coal producers, already worried that overseas demand for their coal isn't growing at the pace they expected, now fear that they may be priced out of the world market.

The coal producers' latest concern is about the rates charged by railroads for hauling coal from mine sites to ocean shipping ports. Rail coal-hauling rates have long been regulated by the Interstate Commerce Commission. But the ICC is currently considering a railroad industry proposal that would exempt export coal shipments from government rate regulations and let the railroads set their own haulage charges.

The railroads, in a petition that the ICC could rule on by March, argue that deregulation will enable them to negotiate long-term contracts with shippers and foreign coal buyers, and thus could help boost sales of U.S. coal overseas. "Right now, with the ICC looking over our shoulder and able to change the rates we set with customers, foreign buyers don't want" long-term contracts, says William Bales, vice president, coal and ore traffic, at Norfolk & Western Railway, the nation's No. 2 coal hauler and the railroad that first petitioned the ICC for export coal deregulation.

Railroad executives acknowledge that deregulation could result in higher haulage rates, but they also maintain that they aren't about to price themselves out of business. "We wouldn't want to increase prices to the point where we'd lose a very important market," says Mr. Bales.

But coal producers fear the railroads may do just that. Roughly two-thirds of all coal mined in the U.S. is moved overland by rail. Most coal producers rely on a single rail carrier; as captive customers, many believe the railroads will raise haulage rates steeply if given the chance.

"Coal people feel that if there's deregulation, the railroads will raise rates at will, at least initially," says Jerry Kelly, metallurgical coal sales manager at Occidental Petroleum Corp.'s Island Creek Coal Co. "If the rate hikes hamper sales, maybe then they'll lower rates, but by then it could be too late."

The Coal Exporters Association and the National Coal Association maintain that deregulation will cost the U.S. a big chunk of the export business. In comments filed with the ICC, the two trade groups argue that railroads are likely to "use their monopoly power to increase freight rates by an average of 57%," and that such rate boosts could, in turn, reduce U.S. coal sales overseas by 30%, or by 450 million tons of coal between 1983 and 1990 from some projected export levels.

In fact, some foreign coal buyers warn that higher rail transport rates in the U.S. will force them to turn to other coal-supplying nations. Japanese steelmakers have been the biggest foreign customers of U.S. metallurgical (or coking coal, "but the position of U.S. coal is declining mostly because of the relatively high price, especially the high cost of inland transportation," says Mark Tada, manager of Nipon Steel Corp.'s New York office.

But coal industry analysts say producers are exaggerating the effects of possible deregulation. "Sure, if haulage rates go up some coal buyers will go to Australia rather than the U.S.," says Marc Cohen, an analyst at Kidder Peabody in New York, but "we simply aren't going to lose one-third of the export market."

Some of the objections to the possibility of haulage rate deregulation reflect concern about the fragile condition of the coal export market in general. "This is the worst time you could pick to talk about increasing freight rates for coal," says an executive at St. Joe Mineral Corp.'s Massey Coal Co. "Nobody out there is beating the bushes for any kind of coal and we're in a tight, competitive position at best." In such a buyer's market, the executive adds, "deregulation could push customers favorably disposed to American coal to feeling that we don't care."

Just a year ago, nearly everyone in the coal industry was gearing up for spiraling sales of coal overseas, especially steam coal used as a boiler fuel by foreign utilities to reduce their dependence on oil. When U.S. exports of coal surged 30% to 90 million tons in 1980 from the previous year, coal producers began investing in new mines and mine machinery, as well as ocean port terminals.

But while U.S. coal exports haven't declined—they increased to 95 million tons in 1981 and are expected to grow to about 105 million tons this year, according to the National Coal Association—the growth is much flatter than many had forecast and demand for U.S. coal overseas currently is soft. An economic slump in many parts of Europe has left "six or seven months of steam coal just sitting on the ground there," says one trader. Demand for metallurgical coal by Japanese steelmakers has dropped too.

Railroad executives agree that the coal export market has become very competitive and that some coal producers, along with barge companies and ocean shipers who geared up for boom times, are hurting. But they also argue that they aren't to blame.

"Some of the great glowing forecasts haven't happened," and "some people who rushed into the coal export business grasping for a gold ring are seeing that it's a very competitive market and going to become more so," says Norfolk & Western's Mr. Bales. "But they shouldn't ask us to lower our rates to help their businesses out," he adds.

Letter From Howard M. Neubert, General Traffic Manager, American Olean Tile

March 1, 1982

Mr. Glover Wilkins, Administrator
Tennessee-Tombigbee Waterway Dev. Authority
P. O. Drawer 671
Columbus, MS 39701

Gentlemen:

Re: Future Shipments Via Tenn-Tom

American Olean Tile Company is currently importing pyrophyllite from Newfoundland via the port of New Orleans with subsequent movement by barge from New Orleans to Memphis for transfer to truck for the ninety mile haul to our plant in Jackson, Tennessee. We have all intentions to utilize the Tenn-Tom when it is completed. Utilizing the Tenn-Tom would reduce the cost and transit time significantly. Our current tonnage of pyrophyllite imported is 19,000 tons annually, but will grow significantly in future years.

Advise if additional information or support is needed since we feel that the Tenn-Tom will fill a void that currently exists in the inland waterway.network of the southern United States.

Sincerely,

Howard M. Neubert
General Traffic Manager

Letter From Michael G. Longhman, Regional Representative, ASOMA (Pennsylvania) Co., Inc.

March 1, 1982

The Tennessee Tombigbee Waterway
Development Authority
P. O. Drawer 671
Columbus, Mississippi 39701
ATTN: Mr. Glover Wilkins

Dear Mr. Wilkins,

Thank you for your information package and report on the progress of the Tennessee Tombigbee Waterway. In our capacity as Coal Marketers and Exporters we are always interested in any developments in the transportation field which would be beneficial to us in our business. As we purchase a large amount of Eastern Tennessee and Northern Alabama coals for the Export market, the completion of the Tenn-Tom Project would greatly reduce our freight costs for shipments to the Gulf coast, thus allowing us to be more competitive against similar coals from Central Appalachia.

As I am sure other coal executives have related to you, the completion of the system will open many new markets for domestic customers as well as export by allowing a shorter route for Tennessee River Basin coals to Utility and Industrial users in Alabama, Florida, and Mississippi.

We appreciate this chance to voice our opinion in regard to a project which we believe will be beneficial to all.

Very truly yours,

Michael G. Loughman
Regional Representative
ASOMA (Pa.) co., Inc.

LETTER FROM J. E. CARSON, DIRECTOR OF FUELS, FLORIDA POWER & LIGHT CO.

February 9, 1982

Mr. Glover Wilkins
Administrator
Tennessee-Tombigbee Waterway
Development Authority
Post Office Drawer 671
Columbus, MS 39701

Dear Mr. Wilkins:

The State of Florida is presently one of the most dependent states in the nation on oil for electrical generation. In an effort to reduce this dependency, the utilities in our state are currently undertaking efforts to increase use of coal, nuclear, and other alternative fuels. FPL is presently giving serious consideration to converting plants to coal where economically and financially feasible and to building new plants designed to use coal.

The potential increase in the amount of coal that will have to be shipped to FPL could reach 10,000,000 tons by 1990 and 20,000,000 tons by the year 2000. Alternative modes of transportation for this coal are being considered at this time, and the Tennessee-Tombigbee waterway is one of these viable alternatives.

Regardless of the primary modes of transportation that will eventually be used by our Company, the availability of alternatives is important to utilities to assure that deliveries can be made reliably and at the most economical rate.

Very truly yours,

JE Carson

J. E. Carson
Director of Fuels

LETTER FROM EARL B. PARSONS, JR., VICE PRESIDENT—ELECTRIC OPERATIONS, GULF POWER CO.

February 10, 1982

Mr. Glover Wilkins
Administrator
Tennessee-Tombigbee Water
  Development Authority
Post Office Box 671
Columbus, Mississippi 39701

Dear Mr. Wilkins:

Re: Tennessee-Tombigbee Waterway

Gulf Power Company is an investor-owned utility, a member of the Southern Company, and our service area is the State of Florida's panhandle. We utilize coal for over 95 percent of our total generation, consuming roughly 2.7 million tons per year. Over 90 percent of our coal deliveries are dependent upon waterway transportation.

We currently move approximately 1 million tons of coal on the Warrior River and/or through the Port of Mobile. The remainder of Gulf's coal originates from the Southern Illinois Coal Basin, travels down the Mississippi River through the Port of New Orleans, and the Intercoastal Waterway for delivery at our electric generating plants.

Our dependency on the Warrior River and the Port of Mobile necessitates the need for adequate funding for properly maintaining and improving the operations on this vital system. It is imperative that we be able to maintain our transportation in order to provide continued reliable service at the lowest cost available to our customers.

As proven by our usage and commitment to Alabama waterways and facilities, we plan to evaluate to the fullest extent the possible usage of the Tennessee-Tombigbee Waterway for coal originating in the Southern Illinois Coal Basin and to utilize this new waterway system where it is economically favorable to our company.

We are in full support of the Tennessee-Tombigbee Development Association's effort to provide efficient and reliable waterway systems for coal deliveries. We feel that it is not only in Gulf Power's interest to support this worthy effort but also in the best interest of our nation to improve our capabilities for transportation of coal and other commodities from points of origin in our nation to our market places for its utilization.

Sincerely,

Earl B. Parsons Jr.

Earl B. Parsons, Jr.

Letter From Robert G. Slaton, President, Decatur Transit, Inc.

February 17, 1982

Mr. Glover Wilkins
Administrator
Tennessee-Tombigbee Waterway Development Authority
P. O. Drawer 671
Columbus, Mississippi 39701

Dear Mr. Wilkins:

Our company, Decatur Transit, Inc., operates a diversified transportation organization using the three primary modes of transportation to the mutual benefit of each, thereby maximizing services to shippers.

One of our major operations is the Port of Decatur in Decatur, Alabama. This is the largest port facility on the Tennessee River and we have integrated trucking and rail service in one complex. As a result of our own success, we are very much in favor of the Tennessee-Tombigbee project and feel each mode of transportation will benefit from the project's completion.

In addition, we are also a shipper and feel upon completion of the Tenn-Tom, our company could ship 15,300 tons of petroleum based product annually via the Tenn-Tom. We wish you much continued success in this worthwhile project.

Sincerely,

DECATUR TRANSIT, INC.

Robert G. Slaton
President

Letter From E. L. Berrigan, Monsanto Textiles Co.

February 23, 1982

Mr. Glover Wilkins, Administrator,
Tennessee-Tombigbee Waterways Dev. Authority
P. O. Drawer 671
Columbus, Mississippi 39701

Dear Mr. Wilkins,

In response to Governors James and Brown's request for information pertaining to the Tennessee-Tombigbee Waterway project the following information is provided for the Monsanto plant located in Decatur, Alabama.

The Tenn-Tombigbee will provide an attractive alternate route for some of the Chemicals (Acrylonitrile and Styrene) delivered to our plant from Monsanto plants in Texas. Also, it provides potential new sources for coal used in our Power Plant operations.

In the future it may be most economical to barge Chemical Intermediates via the Tenn-Tombigbee between the Pensacola, Fla. and Decatur, Alabama plant sites.

The Tennessee-Tombigbee certainly provides an option for the company to use in serving growing domestic and international markets.

Please feel free to contact us if additional information is needed.

Sincerely,

E. L. Berrigan

E. L. Berrigan
Monsanto Textiles Company

Letter From Ray Lucas, Tom Soya Grain Co., Inc.

February 2, 1982

Mr. Glover Wilkins, Administrator
Tennessee-Tombigbee Waterway Development Authority
P. O. Drawer 671
Columbus, Ms 39701

Dear Mr. Wilkins,

Based on our projections, we feel that the following estimates are reasonable for tonnage that will be shipped by Tom Soya Grain only.

Old Hwy 50 Elevator:

Soybeans	90,000	tons per year	
Wheat	13,500	tons " "	
Fertilizer	10,000	tons " "	(Incoming)
Corn	2,800	tons " "	(Incoming)

Aliceville Elevator:

Soybeans	60,000	tons per year	
Wheat	22,500	tons per year	
Fertilizer	10.000	tons per year	(Incoming)
Corn	1,400	tons per year	(Incoming)

If we can be of other assistance, please notify.

Sincerely yours,

Ray Lucas
Tom Soya Grain

Letter From Theodore A. Bean, Director of Marketing, Freeman United Coal Mining Co.

February 8, 1982

Mr. Glover Wilkens
Administrator

Dear Mr. Wilkens:

Freeman United Coal Mining Company currently has two surface and five underground mines operating in central and southern Illinois. We have another surface mine under construction in central Illinois which will begin producing coal this year. Our total annual production capacity is in excess of 10 million tons.

Over the years, a sizeable portion of our coal has been transported in barges via the inland waterway system to the ultimate consumer. As a result, we are keenly aware of the value of the inland waterway system in providing a logical and efficient means for the transport of bulk commodities. Freeman United, therefore, supports the completion of the Tennessee-Tombigbee Waterway. With the advent of this waterway, additional markets in the southeast and export through Mobile could be opened for our coal. However, we are not presently in a position to estimate the quantities which might be moved through the Tennessee-Tombigbee system. We regret that we cannot be more definitive at this time.

Sincerely,

Theodore A. Bean

Theodore A. Bean
Director of Marketing

Letter From D. Cam Summers, Jr., President, Railhop, Ltd.

February 19, 1982

Mr. Glover Wilkins
Administrator
Tennessee-Tombigbee Waterway
Development Authority
P.O. Drawer 671
Columbus, Mississippi 39701

Dear Sir:

I am most concerned by the thought that the Tenn-Tom might not come to completion. I have been waiting for the chance to use this waterway for years.

We export coal, and a large part comes from the Alabama, and Tennessee areas. As you know, we have to go down the Tennessee river to the Ohio River, then down the Mississippi and load in New Orleans. With the Tenn-Tom, it gives us yet another port to load out of, plus the cost savings of the lesser barge rates.

We have contracts for exporting 200,000 metric tons per month. In addition, we also are getting ready to start up a manufacturing shop for assembly of Rail Coal Cars. These car kits will be coming in from Spain (Valencia), and will be discharged in the Gulf area, and brought up-stream by barge. The tonnage is as yet, undetermined.

Thank you for your help so far. We really need the Tenn-Tom.

Yours very truly,
RAILHOP, LTD.

D. Cam Summers, Jr.
President

LETTER FROM JAMES A. SMALL, MANAGER, FUEL SUPPLY DEPARTMENT, SOUTHERN COMPANY SERVICES, INC.

February 8, 1982

Mr. Glover Wilkins, Administrator
Tennessee-Tombigbee Waterway Development
  Authority
Post Office Drawer 671
Columbus, Mississippi 39701

Dear Mr. Wilkins:

This responds to your January 22 letter to James C. Ludwig requesting tonnage estimates for movement on the Tenn-Tom.

Within the Southern electric system, there are five steam electric generating plants that conceivably could be served via the Tenn-Tom in the future. The current coal supply mix for these plants includes coal shipped via the Mississippi/Ohio River systems, coal via the Warrior River system, and coal imported into Mobile. The total annual requirements for barge delivered coal to these five plants averages 7.5 million tons.

At this point in time, we have no way of predicting the origin and routing of new coal supplies purchased to replace contracts expiring during the last half of this decade when the Tenn-Tom is expected to be available. Likewise we are unable to predict which of our existing coal supplies might be diverted to the Tenn-Tom by our barge carriers. However, we can say that availability of the Tenn-Tom will add flexibility to our fuel procurement program by providing access to Southern Appalachian coals on the upper Tennessee River, which are currently uneconomic due to their distance via current water routes. The Tenn-Tom will also provide an alternate delivery route for Mississippi/Ohio River tributary coals during period of waterway interruption (flooding, shoaling, lock outages, etc.). Thus, it is likely that some portions of our fuel supply will periodically travel via the Tenn-Tom, if it is available.

Sincerely,

JA Small

J. A. Small

Letter From Eugene D. Smith, Manager, Corporate Traffic, Mueller Brass Co.

February 5, 1982

Mr. Glover Wilkins, Administrator
Tennessee-Tombigbee
Waterway Development Authority
Post Office Drawer 671
Columbus, Mississippi 39701

Dear Sir:

Thank you for your letter of January 26, 1982, concerning potential use of the waterway by Mueller Brass Co. Generally, our products and raw materials do not lend themselves to water transportation. The only item with potential water movement would be copper cathode for our Fulton, Mississippi plant, and tonnage movement estimates are unavailable.

If the waterway should enter into our future plans, we will contact you with commodity and volume information.

Very truly yours,

MUELLER BRASS CO.

By: Gene Smith
Eugene D. Smith
Manager Corporate Traffic

Letter From Morris L. Bishop, Vice President of Marketing, Ralph Rogers & Co., Inc.

January 5, 1982

Mr. Glover Wilkins, Administrator
Tennessee-Tombigbee Waterway Development Authority

Dear Mr. Wilkins:

In response to your letter dated December 23, 1981, to our Mr. Larry Lewis requesting information concerning shipments, we wish to advise that we are specifically interested in making use of the Tennessee-Tombigbee Waterway and the navigation potential it offers. As a matter of fact, our whole project plan is predicated on the completion of the waterway. Once our project is underway, we plan to ship two million tons of aggregates annually.

If I may be of any further assistance, please advise.

Yours truly,

RALPH ROGERS & COMPANY, INC.

Morris L. Bishop
Vice President of Marketing

LETTER FROM RODMAN KOBER, VICE PRESIDENT—TRANSPORTATION, CONTINENTAL GRAIN CO.

March 1, 1982

Mr. Glover Wilkins
Tennessee-Tombigbee Waterway
Development Authority
P.O. Box 671
Columbus, Mississippi 39701

Dear Mr. Wilkins:

In response to your request regarding Continental's grain shipments on Tenn-Tom, it would appear unlikely that any of our grain shipments by barge would move on the new waterway. It is possible, of course, that Continental might sell bargeloads of grain to others who operate, or will operate, facilities on the waterway; but that tonnage undoubtedly would be included in the projections of those who would envision use of the new waterway.

It is questionable, however, whether completion of the waterway is likely to create opportunities for incremental grain export capacity in view of the substantial surplus of such capacity on the Mississippi River in Louisiana.

Continental recently started a coal trading operation known as ContiCoal. It has estimated that 200,000 to 300,000 tons of its export shipments could move over the Tenn-Tom waterway.

Very truly yours,

LETTER FROM REX L. ROUSH, PRESIDENT, BLUE DIAMOND COAL EXPORT CO.

February 17. 1982

Mr. Glover Wilkins,
Administrator
Tennessee-Tombigbee
Waterway Development Authority
P. O. Drawer 671
Columbus, MIssissippi 39701

Dear Mr. Wilkins:

This has reference to the joint letter from Governor Fob James and Governor John Y. Brown. Please excuse the delay in reply; however, I have been traveling.

First, we at Blue Diamond Coal Export Company are vitally interested in moving our coal to the ocean at the lowest possible cost, and if the Tombigbee offers that, that is exactly what we want to do. This year we have exported approximately 1,000,000 tons to both the Southern ports and Eastern ports where we have very unrealistic freight rates.

One thing that does concern me is that the locks will be so small that I am concerned about getting large tows through at an economic advantage. However, if this can be done and lower the freight to the coast, that is exactly what we are in favor of.

If we can be of further help to you, please do let us hear from you.

Sincerely yours,

President

Letter From Harvey W. Thielman, Inland Marine Manager, Diamond Shamrock Corp.

January 28, 1982

Mr. Glover Wilkins, Administrator
Tennessee-Tombigbee Waterway Development Authority
P. O. Drawer 671
Columbus, Mississippi 39701

Dear Mr. Wilkins:

Thanks for your letter of December 23, 1981 advising us of progress on the Tenn-Tom Waterway navigation project, as well as your needs for tonnage estimates from potential users.

Obviously, we cannot give you firm tonnage figures because of the present fluctuating economy. However, if the Tenn-Tom was operational today, we would be moving approximately 20,000 tons of caustic to the Tennessee from the Gulf. Conversely, we would be moving approximately 10,000 tons of caustic potash to the Gulf off the Tennessee. It is our guess that these figures will increase as the economy picks up and could possibly double by the time the waterway is opened.

From a current marketing survey, there appears to be no immediate plans for product expansion that would warrant locating a plant or other facilities on or near the new waterway.

Very truly yours,

Harvey W. Thielman
Inland Marine Manager

LETTER FROM LAVOY LEDFORD, CROPS DIVISION, TENNESSEE FARMERS COOPERATIVE

January 28, 1982

Mr. Glover Wilkins, Administrator
Tennessee-Tombigbee Waterway Development Authority
P. O. Drawer 671
Columbus, Ms. 39701

Dear Mr. Wilkins:

In response to your letter of January 22, 1982, we in the Fertilizer Department of Tennessee Farmers Cooperative are very much interested in utilizing the Tennessee-Tombigbee Waterway to move fertilizer materials.

Presently, we receive virtually all our materials by rail. Phosphates are shipped from Florida, Potash comes from Canada and New Mexico, and Urea comes from Louisiana.

If the Tennessee-Tombigbee Waterway were in operation today, we would probably barge 30-40,000 tons of Diammonium Phosphate, 10-15,000 tons of Triple Super-phosphate, 20-30,000 tons of Muriate of Potash, and 10-20,000 tons of Urea in calendar year 1982.

If possible, we would appreciate your sending us an annual report or update indicating construction progress to date and projections on finishing the Waterway.

Sincerely,

TENNESSEE FARMERS COOPERATIVE

Lavoy Ledford

Lavoy Ledford
Assist. Purchasing/Distribution Fertilizer
Crops Division

Letter From Edwin A. Stebbins, President, Evans-Stebbins, Inc.

January 19, 1982

Mr. Glover Wilkins,
Administrator
Tennessee-Tombigbee
Waterway Development Authority
Post Office Drawer 671
Columbus, Mississippi 39701

Dear Mr. Wilkins:

This will be in response to your letter of December 23, 1981 requesting potential uses of the Tenn-Tom when the waterway becomes more navigable.

At this writing we are investigating the possibilities of shipping wood products, principally wood chips from the Columbus area to the Gulf Coast. No adecuate loading facilities have been constructed yet but if and when this occurs we will definitely be interested in the potential movement of large tonnages from Columbus to a Gulf Coast port for export.

We hope this will be of some informational value to you.

Sincerely yours

Evans-Stebbins, Inc.

Edwin A. Stebbins
President

Letter From Dennis E. Peterson, Vice President, Transportation and Distribution, Oil-Dri Corp. of America

February 8, 1982.

Mr. Glover Wilkins,
Administrator,
Tennessee-Tombigbee Waterway Development Authority,
Columbus, Miss.

Dear Mr. Wilkins: Thank you for your letter of January 26, 1982.

Please be assured, the Oil-Dri Corp. of America would be in a position to use the Tennessee-Tombigbee Waterway. We have the potential movement on this waterway of from 10,000 to 15,000 tons of our product—ground clay—to be furnished to barge lines for movement to Mobile, Ala., and to continue on to our foreign markets.

We, therefore, feel it imperative for this project to reach completion as soon as possible. Thank you for your concern on this subject.

Yours truly,

DENNIS E. PETERSON,
Vice President, Transportation and Distribution.

LETTER FROM LEON M. TORBERT, JR., VICE PRESIDENT, ALABAMA-FLORIDA MARINE OPERATIONS, RADCLIFF MATERIALS, INC.

FEBRUARY 2, 1982.

Mr. GLOVER WILKINS,
Administrator,
Tennessee-Tombigbee Waterway Development Authority,
Columbus, Miss.

DEAR MR. WILKINS: In response to the January 26, 1982, letter requesting information on tonnage and type of commodity that potential users would expect to move on the Tennessee-Tombigbee, Radcliff Materials, Inc., submits the following: Approximately 750,000 to 1,000,000 tons of washed river gravel.

If I can be of any further assistance, please do not hesitate to call on me.

Very truly yours,

LEON M. TORBERT, Jr.,
Vice President,
Alabama-Florida Marine Operations.

LETTER FROM V. B. WIELKENS, PLANT MANAGER, OLIN CHEMICALS

JANUARY 29, 1982.

Mr. GLOVER WILKINS,
Administrator,
Tennessee-Tombigbee Waterway Development Authority,
Columbus, Miss.

DEAR SIR: In response to your letter of January 22, 1982, we have the potential for shipping 200,000 tons/year of coal, 300,000 tons/year of 50 percent caustic soda, and 100,000 tons/year of liquid chlorine on the Tennessee-Tombigbee Waterway.

Sincerely,

V. B. WIELKENS,
Plant manager.

STATEMENT OF HON. MACK MATTINGLY, U.S. SENATOR FROM GEORGIA

Senator STENNIS. I think the lady has presented some very relevant testimony here. It was well delivered, too.

Senator COCHRAN. Senator Mattingly?

Senator MATTINGLY. Thank you, Mr. Chairman.

I would like to submit a statement for the record.

Then, I would like to make one comment to Governor Collins. I think what you said is not talking defensively. I hear so many people talk defensively about unfinished monuments.

We will have to rename the Hart Building the Tennessee-Tombigbee Building, but I think we have to make a creative balance of the dollars spent. I think your statement gets into the arena where we want to be; we are talking about it positively, not negatively, and not to be defensive, but to show exactly what it will do, and I think your testimony was well presented.

Thank you, Mr. Chairman.

Senator COCHRAN. Thank you, Senator Mattingly.

PREPARED STATEMENT

Your statement will be incorporated in the record in full at this time. We appreciate your appearing for this portion of the hearing.

[The statement follows:]

STATEMENT OF SENATOR MATTINGLY

Mr. Chairman, let me say that I welcome the opportunity to hear from public witnesses concerning the various projects that this subcommittee must act on. I am pleased that you, Mr. Chairman, have scheduled a solid week of hearings, thus, giving ample opportunity for all to express their needs, concerns, or criticisms.

Mr. Chairman, as you know, these are times that call on the Congress to scrutinize every program for savings and to initiate new ways to solve many of the problems that before were given a public response that ranged from lip service and ignoring them to simply throwing dollars at them regardless of the return benefit.

Mr. Chairman, I am pleased that in the area of developing our Nation's waterways and ports that Senator Hatfield, Senator Thurmond, and myself introduced S. 2217 to deal with the long-range financing problems facing our Nation's deep-draft ports. It is my hope that we will act on that legislation this year so that our ports can plan for their future. In this manner, Mr. Chairman, I am confident that members of this committee can face, in a positive manner, the challenges of dealing with our inland waters, hydroelectric systems, and nuclear generating capacity, all of which must be addressed in this bill.

As for my home State of Georgia, I am pleased to note that there will appear, over the next several days, many individuals from my State testifying on various projects that range from the TVA to the Coosa-Alabama River project, the Russell Dam, and other projects throughout the State. Let me take this opportunity to welcome them all to these hearings.

Mr. Chairman, it is a time of budget restraint, as well it should be, but the restraint of the Federal budget does not mean the end of various projects—it means that the opportunity to lead and be innovative has arrived in this area as well as many others.

Needless to say, Mr. Chairman, it is for that reason, among others, that I am pleased to note that within the budget, as submitted, Georgia ranks fifth in total dollars allocated among the 50 States. This includes a total of $1,756,000 for surveys, some $36,841,000 in operation and maintenance, and a total of $87,070,000 in construction.

I realize, Mr. Chairman, that this represents only the budget as submitted by the President and that we face a difficult task in examining each project as we strive to meet the needs of the people in this area of energy and water development and, at the same time, work to reduce the growth of Federal spending.

It is in striving to meet these twin goals, Mr. Chairman, that we search for that illusive "creative balance" between a dollar well spent and a dollar wasted.

Mr. Chairman, I informed the Chair earlier, I must leave because of a previous commitment. However, I have submitted questions in writing to various other groups that have appeared before us and, with the Chair's permission, will reserve to do so here.

Thank you.

TENNESSEE-TOMBIGBEE WATERWAY

STATEMENT OF JOHN SMITH, MAYOR, PRICHARD, ALA.

Senator COCHRAN. Now, Glover, why don't you proceed.

Mr. WILKINS. Thank you, Mr. Chairman.

I certainly appreciate the opportunity to appear before the committee today. At this time, I would like to call on some additional witnesses that I think will present additional testimony to this committee that could be useful.

At this time, I would like to ask the Honorable John M. Smith, mayor of Prichard, Ala., if he may submit a statement.

Senator COCHRAN. Mayor, welcome to the subcommittee. We appreciate your being here.

Mayor SMITH. Senator, as you know, it is very difficult to take in public life to carry out many of our responsibilities. I am sure that the distinguished Senators of this committee realize that and recognize that. I am sure you will understand some of my statements when I say that myself, as a front-line public official, where I sit, seeing the aches and pains of our citizens, hearing their disappointments, their depression, for what direction and the course our Government is taking, I am sure you will understand, then, the meaning of the necessity of having hope at the local government level today.

There is very little hope among our people. There is a great deal of depression, in fact, among our people, over the course and direction of government. When you put that within a context, from where I sit as a public official, you ask yourselves, "What things do we begin to say to our people to not only give them hope, but to give them some real reason to stand behind our Government, but at the Federal level and at the State level and at the local government level, some reason to still push and believe that there is a future for their children at the lower levels of government?"

LOCAL PROJECT BENEFITS

One of the reasons I am very honored to be here is to convey to you that the Tennessee-Tombigbee project gives us some hope at the local level.

It begins to give us a reason to plan and build our economies, to begin to tell our people that there is hope for the future; that there is work; that there will be employment; that our region will not continue to be a sore spot of depression.

It gives me some sense of pride and anticipation that I can get out and fight and feel some sense of worthwhileness, that I am just not simply making a political statement, but that I can see a very bright future and can round up the resources of our technicians at the universities and industries to begin to come together to anticipate this worthwhile adventure.

I am trying to put this within the context because, again, there are some very real feelings out there. I don't have a number of people to stand with me today, because they cannot afford to come here.

They are very poor people who would benefit from this project. I don't need to parade the numbers here. I am sure you see them every day. I represent the third most depressed neighborhood as discovered by an economic developer. That is not a sense of pride for me and a sense of pride for the United States, that I have to stand here before you as a mayor and say that we live in the country today that prides itself on its technology, that prides itself on its knowledge, and where we have the type of squalor and poverty that exists.

I think you have reached a point in the world today where this country has to marshall all the identities and all of its resources to eliminate, again, the realities of a mayor such as myself, sitting before you today making these statements.

I think the Tennessee-Tombigbee Waterway project offers that real opportunity. I think we have had some very raw and gross phases in the last 20 years in the areas of civil rights and social programs.

This project has the opportunity to demonstrate some things that I don't think have been examined. I think places like Prichard, coupled with the Tennessee-Tombigbee Waterway project, will give that example.

I ask this committee to use all of its resources, all of its muster, and all of its influence to see that this project is completed so we can begin to get some enthusiasm, to tell those concerns and industries that there will be a Tenn-Tom water project and yes, you can put your industries in those areas; to think about the very real problems; to think about the problems that I, as a front-line administrator, am up against.

PREPARED STATEMENT

I have a more detailed statement I hope you will accept for the record.

Senator COCHRAN. Thank you, very much, Mayor Smith.

We certainly will include your entire statement and make it a part of the record at this point.

[The statement follows:]

STATEMENT OF JOHN H. SMITH, MAYOR, PRICHARD, ALA.

I am extremely honored to present my views in support of the Tombigbee Waterway and the many human, organizational, and environmental benefits expected from its completion. The Tennessee Tombigbee Waterway Project is an ambitious effort to establish commerce, employment, reduce poverty as well as improve the effectiveness and efficiency of a navigable water route. In addition, it provides the background and rationale for the comprehensive economic recovery and investment program of the City of Prichard and the broader environmental human rights commitments of the technology, science, and the professions to life span development along the corridor.

The Economic Recovery and investment program for the City of Prichard is established with the Tombigbee Waterway serving as the central benchmark for planning major human, environmental and organizational solutions to our current problem of economic decline physical deterioration, and human degradation. It is this particular emphasis and detailed attachment of our City's future economy to the Tombigbee Waterway and its significance to planning and design of American human settlements which guide our support.

I represent a new point of view in the United States to encourage the wise use of government resources toward the design of expanded human opportunities. As I stated in an earlier letter to Senator Percy, on this matter of the Waterway, the greatest strength of the Waterway Project is its potential to provide employment opportunities for that large segement of the poor and the African-American population along the corridor. This new point of view as I stated earlier which I represent, and which is being applied in our City, is concerned with designing resources to fit the capabilities as well as the limitation of individuals within the framework of a population in need. This special point of view is what assists in making the Tombigbee Waterway Project the most significant effort to occur in the United States since the thirteenth (13th) fourteenth (14th) and fifteenth (15th) Amendments to the Constitution of the United States. I have a considerable background in studying human factors problems and in designing opportunities for individuals and populations and, I am not aware of any effort in recent memory which makes an attempt to profile the human factor and systems relationship involved in the positive development of people and the environment as this effort does.

In the City of Prichard, we are taking great advantage of the opportunity to alter the economic patterns and negative trends associated with our population and the municipality by organizing the environment, human resource development programs, and the municipal services system, all in anticipation of the Tombigbee Waterway. Again our effort to take advantage of this opportunity is not without a speicalized legal technical effort and point of view. I know that we are unique in this sense. The Tombigbee Waterway has allowed the opportunity for a new expression in applying science and technology to the economic recovery and investment efforts of the third most distressed community of its size in the United States. Ethnic Science as we called our point of view provides the City of Prichard with the impression that our economy suffers not from the overblown simplistic supply side theories and/or the narrow demand side concepts and arguments or the notion of inflation. Rather, our greatest problem still remains that of creating work and economic opportunities for the large segment of the poor so that they may keep pace on a competitive and productive level with inflationary trends and patterns. This is what I refer to as the human factor; the consideration for designing positive, meaningful, daily opportunities for people to be involved in productive work activities. This is what the Tombigbee Waterway is allowing us to do at the local level and the main idea and feature that most opponents of this project are really missing. This committee must take the lead by applying congressional muscle to implement the final stages of the Waterway Project as a national example of economic recovery for a depressed region. This lead role will assist in municipalities such as Prichard avoiding continued patterns of economic, regional, racial, and class discrimination.

The Tennessee-Tombigbee Waterway is a major effort to expand the economy in an area which has a tremendous need for government resources. Once fully developed for navigation, the Waterway will yield increased industrial and agribusiness growth in southwest Alabama and the northeast Mississippi area. Within this context, the City of Prichard is anticipating a major boost to its economy by completion of the Waterway.

Economic growth and employment opportunities have always served as the major rationale for the project. However, limited attention is devoted to the detail impact of the project on immediate economic recovery and investment opportunities for cities such as Prichard.

Given the current status of our municipality as the third poorest city of its size in the United States, the fifth largest Black percentage settlement in the United States, and having EDA classification of a distressed community, the only solution available to our problem is the allocation of government resources to create new jobs and new economy. Given the Reagan economic fiscal philosophy, the allocation of government resources with potential to create self-reliant, self-governing enterprises is the ideal solution. The Waterway provides the greatest opportunity for the City of Prichard to organize an Economic Recovery Program which is both realistic and within the reach of the present government. In addition, the Waterway encourages planning and designing the specialized character of our City to take advantage of new economic demands and trends created by the Waterway.

Frankly, the United States cannot afford to promote new agribusiness and industrial expansion, particularly under the current administration which insists, for its developing urban policy, the creation of enterprize zones. The City of Prichard has the greatest opportunity to take advantage of the Reagan urban initiatives if there is a magnet industry such as the Waterway to build our economy around.

The Tennessee Tombigbee Waterway is the most direct approach to unemployment and inflation, and serves as an immediate example of a government resource developed with the fundamental purpose of creating regional-local enterprises. Moreover, with the current attack on the Reagan philosophy as being one of a negative single-issue approach to the economy, the Tennessee Tombigbee Waterway serves as a small example of positive action to replace jobs lost to the economy by budget reductions and cuts.

My support for the Waterway Project is very simple. Just as Congress advocated in the past the attachment of poor people to the limited social programs which have not resulted in a bondage only matched by slavery, we should now advocate ownership of jobs and ownership of corporate wealth by completion of the Tombigbee Waterway. The idea is that the Waterway is a far greater opportunity to create self-reliance and economic opportunity than any current or past social program efforts. The Waterway is not only stimulating economic development in the distressed City of Prichard, but is also encouraging greater avenues for Black ownership of enterprises created by the Waterway and in turn, promoting self-reliant economic practices and patterns.

Given the tremendous slow down in the economy due to government spending reductions, inflation and unemployment, it is my conclusion that the most appropriate action for this region is a large scale development project. It is my professional judgement that this particular approach is an excellent and consistent example of Federalism at the local level. It provides for solutions to current environmental human rights problems and provide the African American population and the minority poor with the added advantage of both a positive and competitive future.

It has been an honor for the City of Prichard to be represented at this hearing and because of the time restriction, I am submitting for the record more detail statements concerning our philosophy and the Waterway.

PREPARED STATEMENT OF GOVERNOR FOB JAMES OF ALABAMA

Senator COCHRAN. We appreciate your coming to be with us and giving us the benefit of your thoughts.

Thank you, very much.

Mr. WILKINS. In line with the mayor's statement, I know that Governor James' statement has been submitted for the record. However, I would like to point out just one paragraph that fits in so well with what the mayor has said, that the Governor in his statement said about the level, which is made a part of the record:

> In Green County, Ala., which has one of the Nation's lowest per capita income levels and highest percentages of unemployment, negotiations for the sale of approximately 600 acres of land for sump and paper facilities have been underway for more than a year.
>
> A major reason for locating there has been the access to the Tennessee-Tombigbee Waterway system. Negotiations are now complete and the sale should be consumated on March 31, 1982.

I would like to have that in the record, please.

Senator COCHRAN. That will be made a part of the record.

Thank you for bringing it to my attention.

[The statement follows:]

STATEMENT OF GOV. FOB JAMES OF ALABAMA

Mr. Chairman, it is a pleasure to appear before this Committee today along with fellow Alabamians and the Governors and representatives of the member States of the Tennessee-Tombigbee Waterway Development Authority in support of early completion of the Tennessee-Tombigbee Waterway. When completed in a few years the Tennessee-Tombigbee Waterway will be a great part of our National Inland Waterway System. It will provide for the movement of materials and products in the most energy wise and cost effective way for many years to come. It will assist the farmers of Alabama and the Nation in the movement of the fertilizer they use and the products they grow. It will assist in further strengthening the industrial base of the Nation. The completion of the Tennessee-Tombigbee Waterway will provide a new conduit into the heartland of the Nation for movement of raw materials and finished products both for export and import through our Gulf Ports such as the Port of Mobile. The opening of the Waterway will help the Nation as we use our exports to move toward a more favorable balance of trade and it will enhance our competitive position in world markets.

Even though the Tennessee-Tombigbee Waterway is not complete, the portion of the Waterway in Alabama for all practical purpose is completed. We now have products being shipped to and from Western Alabama on the Tennessee-Tombigbee Waterway to other States and nations. In anticipation of the completion of the Tennessee-Tombigbee Waterway industry is making specific plans to both use the Waterway and locate in the vicinity of the Tennessee-Tombigbee. For example, in Greene County, Alabama which has one of the lowest per capita income levels in the nation and one of the highest percentages of unemployment, negotiations for the sale of approximately 600 acres of land for a pulp and paper facility have been underway for more than a year. A major reason for locating there has been access to the Tennessee-Tombigbee Waterway system. Negotiations are now complete and the sale should be consummated on March 31, 1982. Although at this time a date for development of this site and facility has not been announced, the cost is projected to include $300 million by the private sector, and will create 800 to 1000 jobs during the construction period and more than 500 permanent jobs will be available in the plant and supporting activities. The Crossroads of America Industrial Park, with 1200 additional acres available for development and having access to the Tennessee-Tombigbee Waterway, another 800 to 1,000 permanent jobs are anticipated.

To date the State of Alabama has spent millions of dollars in support of a viable inland waterway navigation system. We have recently approved the expansion of facilities at the Alabama State Docks in Mobile and on March 2nd of this year, the voters of Alabama approved setting aside 50 million dollars for further improvements to Mobile Harbor. We in Alabama this year completed the last road relocation necessary to meet our obligation on the Tennessee-Tombigbee Waterway. However, we in Alabama have and will continue to do more than the minimum required in support of our inland waterways and harbor facilities. This we believe is indicative of the strong support of the inland waterway system and especially in regard to the Tennessee-Tombigbee Waterway.

Let there be no doubt of my strong support for completion of the Tennessee-Tombigbee Waterway. It has withstood every challenge over the years and I urge you to continue to support this important project through the appropriation of construction, operation and maintenance funds necessary for full-time operation and the completion of this vital link in our national transportation system.

In closing I would point out the inland waterway system is part and parcel of a national transportation system. In fact the inland waterway system should be viewed as an extension of the other modes of transportation. All of which working together provide a coordinated method for moving products. It should not be taken for granted nor should it be viewed as only a federal investment. The State of Alabama and our sister states along with private enterprise have invested hundreds of millions of dollars in a partnership with the federal government. Any significant change should be studied carefully in order for the full impacts to be understood. There is an inherent obligation of the Federal government to stand by its commitments to the States and private enterprise who entered into this partnership in good faith.

STATEMENT OF BENNIE TURNER, ATTORNEY, WEST POINT, MISS.

Mr. WILKINS. At this time, I would like to introduce Mr. Bennie Turner who is an attorney from West Point, Miss.

Senator COCHRAN. Welcome to the subcommittee, Mr. Turner. We appreciate your being here. You may proceed.

Mr. TURNER. Thank you, Mr. Chairman, Senator.

I suppose that I am "the others" that Governor Collins was referring to, in as much as I intend to address the impact of the decrease of funds for recreation.

I am actually presenting to you, in this testimony, a statement of Doctor Aaron Henry, who is the president of the Mississippi State Conference of the NAACP.

Dr. Henry starts out by expressing his pleasure with the President for including the $186 million for the waterway in the budget. He goes on to point out that of about 3,000 workers on the waterway, one-third are females and minorities, and that as a byproduct of the construction, the severe recessionary conditions in north Mississippi have been dampened by the employment opportunities on this project.

The sum of $25 million has gone to minority subcontractors on the project. He has concern that it will be difficult to increase substantially upon that amount unless there is a change in the acquisition regulations of the Defense Department and an inclusion of the recreational aspects of the project.

Most of the contracts are in excess of $10 million on the waterway, and the consequence of this is that only $1.7 million has gone to prime contractors in Mississippi as of December 31, 1981. That includes the entire State. It was felt that the greatest opportunity for minority contractor participation would be in the area of the small contracts concerning recreational development.

He also points out that the great majority of the grassroots support for the project has been based upon the recreational developments that were supposedly a part of the project. He feels that the failure of the Congress to facilitate these developments would be an unfair breach of the Federal Government to these residents.

He goes on to point out that the waterway flows to one of the most economically depressed regions of the Nation, and he urges this committee and your colleagues to approve the funding so that this project can be continued and completed.

Thank you.

Senator COCHRAN. Thank you, very, very much, Mr. Turner, for being here and giving the committee the benefit of that statement. We appreciate it.

Mr. TURNER. Thank you.

Senator COCHRAN. Mr. Wilkins?

Mr. WILKINS. Mr. Chairman, at this time we would like to bring some witnesses before this committee who will testify that they will use the waterway when it has been built.

In past debates in the Halls of Congress, there have been many people to raise the question that the waterway would be built and nobody would use it. We thought it advisable and well to bring before you some people who will actually use the waterway when it is built.

At this time, Mr. Chairman, I would like to introduce Mr. William Reynolds, who is vice president of Reynolds Metals of Richmond, Va., to make a statement, please.

Senator COCHRAN. Welcome to the subcommittee.

STATEMENT OF WILLIAM G. REYNOLDS, JR., VICE PRESIDENT OF GOVERNMENT RELATIONS AND PUBLIC AFFAIRS, REYNOLDS METALS CO.

Mr. REYNOLDS. Thank you, Senator Cochran, Senator Stennis.

Senator COCHRAN. We have a copy of your full statement here, which we will put in the record. We will ask you to proceed and summarize or highlight it in any way that you prefer.

Mr. REYNOLDS. Thank you, very much I welcome the opportunity to appear here today and offer our full support for the Tennessee-Tombigbee project.

At a time of ever-increasing transportation charges, this project offers a low-cost, energy-effective means of transporting bulk raw materials required by the basic industries, including the aluminum industry. Reynolds is a basic vertically integrated aluminum company whose activities span the entire range of aluminum production, from discovery, mining, and refining of bauxite to the production of finished aluminum products for a variety of industrial and consumer markets.

In terms of the primary aluminum capacity, Reynolds is the second largest producer in the United States and the third in the world.

For more than 40 years, Reynolds has been a corporate citizen of Alabama. Today, it ranks as one of the State's largest employers. Last year, for example, the company employed more than 4,100 men and women at its Lister Hill complex near Sheffield, Ala.

The company's Alabama payroll last year totaled more than $165 million, and the combined economic impact of its operations was estimated at approximately $300 million.

The Lister Hill complex consists of four operations: A reduction plant, a sheet mill and plate plant, a wire rod and bar plant, and a facility for recycling aluminum.

As you can well imagine, transportation costs play a major role in the efficiency and the competitiveness of this plant.

The need to contain these costs is always crucial, but it is more important during periods like now and when there is a prolonged slump in some of the basic markets for aluminum; for example, housing and automobiles.

A reduction in transportation costs will have a major effect on the competitiveness of our production facilities and the preservation of the jobs in this area.

Our Lister Hill production plant is a case in point. Due to the high operating costs and the decreased demand for aluminum at the present time, the plant will operate at only about one-third of its capacity in 1981.

Despite its curtailed operation, the plant required substantial amounts of metallurgical alumina and calcined petroleum coke, two key raw materials consumed in the aluminum smelting process.

As a result, Reynolds, in 1981, shipped to Lister Hill approximately 216,000 tons of alumina from its refinery in Corpus Christi, Tex., and nearly 40,000 tons of calcined coke from its Baton Rouge, La., facility.

Virtually all of these shipments were made by rail at a total cost of more than $2.4 million. At full production, it would require 400,000 tons of alumina and 85,000 tons of coke, almost double last year's capacity.

The Tennessee-Tombigbee Waterway will save Reynolds almost 850 miles of waterway transportation from Corpus Christi to Sheffield and approximately 450 miles from Baton Rouge to Sheffield.

Alumina would be transported from Corpus Christi to Mobile, Ala., by large, ocean-going barges or by Reynolds U.S. flagships. At Mobile, these vessels would be unloaded into river barges for shipment to Sheffield.

The Tennessee-Tombigbee will also facilitate the transport of calcined petroleum coke fron Baton Rouge to our Lister Hill plant, as well as aluminum fluoride and other necessary materials.

In all instances, shipments by water will yield significant energy savings through a reduction in diesel fuel consumption.

The Tennessee-Tombigbee will offer still another advantage: It will open the door to increased foreign trade opportunities for American industry located in this area.

In Reynolds' case, it will expand the potential for the sale and delivery of aluminum ingot, silicon, and other products to South American-European customers.

Another benefit of the Tennessee-Tombigbee Waterway will accrue to the conpany if the company decides to import alumina directly from Jamaica or Australia to Mobile and up river to Sheffield.

Aluminum's value as a strategic material for national defense processes, purposes, and also other uses are other reasons, compelling reasons for the completion of this project.

In summary, the Tennessee-Tombigbee system will serve as a vital link between Reynolds' Alabama operations, its sources of raw materials, and the sale of its products.

The waterway will provide a more direct shipping route, reduce transportation costs significantly, and strengthen the competitive position of Reynolds Lister Hill plants, the economy of northern Alabama, and the industrial base of the Nation.

For these reasons, we again strongly urge the completion of this project.

Senator, it is a pleasure to be here.

Senator COCHRAN. Thank you, Mr. Reynolds, for being here, too.

STATEMENT OF WILLIAM E. POWELL, VICE PRESIDENT, LAPEYROUSE GRAIN CO.

Mr. Wilkins?

Mr. WILKINS. Mr. Chairman, at this time I would like to present Dr. Billy Powell, who is the vice president of the Lapeyrouse Grain Co.

Dr. Powell?

Senator COCHRAN. Welcome to the hearing, Dr. Powell.

We appreciate your being here. We have a copy of your statement. We hope you will be able to summarize it or give us the benefit of some of the highlights of it.

We will make it a part of the record in full at this point.

Mr. POWELL. I surely will.

[The statement follows:]

STATEMENT OF WILLIAM E. POWELL, LAPEYROUSE GRAIN CORP.

My name is William E. Powell and I am Vice President of Lapeyrouse Grain Corporation. Let me thank you for allowing us the opportunity to testify before this Committee today.

First, in way of background, let me share information about Lapeyrouse Grain Corporation and myself. Lapeyrouse is a Mobile, Alabama based Company that has been in business since 1959, buying soybeans, wheat and corn from farmers in Alabama, Mississippi, Florida and now, in Kentucky and Georgia. This grain is moved from our country elevators by rail, truck and barge to the Alabama State Docks in Mobile for export. We operate our own tugboats and barges along the inland waterway system in Alabama and Florida. We also have a number of lease covered hopper cars for use in rail shipments. Last year over 50% of the local crop that we handled was shipped to Mobile by barge.

I am a native of Alabama, received a Ph. D from Auburn University, located in Auburn, Alabama, and have a family farm fronting on the Tombigbee River just north of Mobile. I was recently elected President of the Alabama Cattlemen's Association and am also serving as 2nd Vice President of the Alabama Grain Dealer's Association.

The Tennessee-Tombigbee Waterway is a valuable and much needed addition to our nation's transportation system. We, as a grain company currently operating on the Waterway, strongly encourage your support in the completion of this long awaited project.

Grain exports are extremely valuable to our nation's economy. Exports give the farmer a large, constant market; provides the taxpayer with a much needed positive asset in our balance of trade; and allows the consumer to enjoy a plentiful supply of relatively cheap food. The United States has enjoyed a big advantage in grain exports over the past years largely due to our nation's historical cheap transportation. One only has to look at Brazil and Argentina to understand. Due to the increasing competitiveness of the grain business, and the aggressive competition from the other world producers, the United States is fast becoming a residual supplier rather than than the major source of grain. This great nation simply can not afford to lose any more of our competitive edge resulting us having a smaller share of the world's grain exports. The completion of the Tennessee-Tombigbee will help insure that we maintain our competitive edge in the world grain market.

Much of the expansion in the grain production in the past decade has occurred along the Tennessee-Tombigbee Waterway. Soybean production has increased three fold since 1970 (Table 1) in the 36 Alabama and Mississippi counties that are on the Tennessee-Tombigbee Waterway. Farmers in these counties harvested over 1.7 million acres producing 26 million bushels of soybeans in 1980. This was in a drought year where the statewide yield was only 15 bushels per acre. These figures compared with 650,000 acres and 14 million bushels harvested in 1970.

The wheat story is even more dramatic and may well be an indication of things to come. In 1970, there were only 35,650 acres of wheat in these 36 counties that produced slightly more than 1 million bushels. (Table 2). This past year, 1981, there was over a 12-fold increase in wheat production in this area. There were 384,000 acres harvested which yielded in excess of 16 million bushels. The majority of this wheat moved for export through the State Docks at Mobile.

The current situation along the gulf, especially during the congestion of the grain harvest and during the high water period on the Mississippi River, certainly suggests a need for an alternate gulf grain port. This need, coupled with the committment already made in Mobile where a 45 million dollar expansion of the State Docks Public Grain Elevator is underway and where the voters this month approved funds to support a 55 foot ship channel, leads us to believe that a significant amount of grain will move for export down the Tennessee-Tombigbee Waterway. Certainly the future expansion for additional export facilities in this area looks bright.

There is also a real potential for additional river elevators along the Tennessee-Tombigbee Waterway in Alabama and Mississippi, and along the Tennessee River. These elevators will allow farmers to have access to an export market which will mean an additional 5¢ to 15¢ per bushel for their grain because of the lower transportation costs and a more competitive market. One private grain elevator has already been constructed on the Tennessee-Tombigbee near Aliceville, Alabama. Since beginning operation two years ago it has already shipped 5 million bushels of grain in the gulf for export.

The price a farmer receives for his grain at an inland elevator is determined simply by subtracting the cost of handling (elevation) and the transportation costs from the current gulf price. A 10¢ savings in transportation would mean a dime per bushel more to the farmer for his grain. And this year, that dime may well be the difference between profit or loss.

Farmers that are adjacent to the Tennessee-Tombigbee Waterway will receive a direct benefit from a reduction in transportation costs. In addition, those producers who sell their grain at other inland elevators that are on rail will also benefit from the Tennessee-Tombigbee because the more competitive water rates will cause rail rates to be lower. Past experience shows this to be the case.

As a cattlemen and as President of the largest State Cattlemen's Association in the nation, we feel that the Tennessee-Tombigbee Waterway will have a definite positive impact to the cattle industry in our area. Several things have occurred during the past few years that may well cause a main change in the beef industry. The tremendous increase in diesal fuel has all of a sudden made it virtually impossible to make a profit hauling light weight calves west to be fed and then shipping the meat back to the southeast for consumption. This fact, combined with the consumer's preference for leaner beef and our region's ability to grow forages, has stimulated considerable interest in finishing cattle in the south. Just this past week, we had discussions with a national group interested in this subject. The Tennessee-Tombigbee Waterway would play an important role in developing the fed cattle industry as it would be the most economical way to move large tonages of corn from the midwest to Alabama, Mississippi, Florida and Georgia. This could well develop in a significant use for the waterway during the next decade.

Again, we thank you for the opportunity of appearing before this committee to ask you for your continued support for the Tennessee-Tombigbee Waterway.

Thank you.

Table 1: Soybean Production

	1970		1980	
	Acres	Bushels	Acres	Bushels
9 Al. Counties [a] on Tombigbee River	90,300	1,985,700	264,200	3,941,000
9 Al. Counties [b] on Tennessee River	172,600	3,502,000	555,800	8,257,000
18 Ms. Counties [c] on Tenn-Tom Waterway	387,480	8,570,000	884,700	14,115,000
Total:	650,300	14,057,700	1,704,700	26,313,000

[a] Marion, Lamar, Fayette, Pickens, Greene, Hale, Sumter, Marengo and Choctaw Counties in Alabama.

[b] Lauderdale, Colbert, Lawrence, Limestone, Madison, Morgan, Marshall, DeKalb, and Jackson Counties in Alabama.

[c] Calhoun, Itawamba, Lee, Pontotoc, Prentiss, Union, Choctaw, Webster, Chickasaw, Clay, Kemper, Lowndes, Monroe, Neshoba, Noxubee, Oktibbeha, Winston, Lauderdale in Mississippi.

Table 2: Wheat Production

	1970		1981	
	Acres	Bushels	Acres	Bushels
9 Al. Counties [a] on Tombigbee River	7,500	209,200	77,500	3,377,000
9 Al. Counties [b] on Tennessee River	20,800	717,300	208,600	9,523,000
18 Ms. Counties [c] on Tenn-Tom Waterway	7,350	227,200	97,900	3,487,600
Total:	35,650	1,153,700	384,000	16,387,600

[a] Marion, Lamar, Fayette, Pickens, Greene, Hale, Sumter, Marengo and Choctaw Counties in Alabama.

[b] Lauderdale, Colbert, Lawrence, Limestone, Madison, Morgan, Marshall, DeKalb, and Jackson Counties in Alabama.

[c] Calhoun, Itawamba, Lee, Pontotoc, Prentiss, Union, Choctaw, Webster, Chickasaw, Clay, Kemper, Lowndes, Monroe, Neshoba, Noxubee, Oktibbeha, Winston, and Lauderdal in Mississippi.

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Data taken from Alabama Agricultural Statistics and Mississippi Agricultural Statistics prepared by Alabama Crop and Livestock Reporting Service, Montgomery, Alabama, and Mississippi Crop and Livestock Reporting Service, Jackson, Mississippi.

GRAIN EXPORTS

Mr. POWELL. Lapeyrouse Co. appreciates the opportunity to testify today before this committee on behalf and in support of the Tennessee-Tombigbee Waterway. Our company is a Mobile-based company. We have been in Mobile since 1959. We have elevators in Mississippi, Alabama, Florida, and recently, expanding into Kentucky and Georgia. We have rail cars, our own tugs and barges. We bring grain from the farmer by the waterway and rail or truck to Mobile where it goes to export.

Grain export is an extremely valuable asset to our Nation's economy, as you are well aware. We feel that with the current situation in the gulf ports, when we have high water on the Mississippi or we have the harvest congestion in the ports during the harvest, there is definitely a need for additional gulf ports.

One has to only look at our grain industry; that is sufficient. In our grain industry, the big advantage that we have enjoyed in the United States, has been because we have had historically cheap transportation to get this grain to the gulf and to a ship.

One has to only look at Brazil and Argentina, two countries that are really developing in their grain production, to see what we are talking about.

As Governor Collins said, the increasing competitiveness of the grain business and the aggressive competition we are getting from other grain-producing countries to try to get a piece of this world grain market, that the United States can ill afford to lose any more of our competitive nature in a share of this market.

Right now, we are kind of becoming more of a residual supplier instead of the main supplier of grain for many of these countries.

Completion of the Tennessee-Tombigbee will be extremely valuable in seeing that we can maintain our competitive edge in the world grain market.

Much of the expansion of the grain production in Alabama, Mississippi, and Tennessee has been along the area that this waterway will cover.

There is real potential for river elevators and county terminals along the waterway.

Again, Governor Collins mentioned one that is already in operation and is shipping a good bit of grain to the gulf on the Ashville-Alabama.

So, there is a lot of opportunity for expansion. The country really needs to maintain our competitive edge to stay in the world grain market.

As a cattleman, if I can put on another hat for just a second, and as president of Alabama Cattlemen's Association, which is the largest State cattlemen's association in the Nation, we see a potential for bringing grain from the Midwest into Alabama and Mississippi and Florida and Louisiana that is just developing.

We talked about this, Senator Stennis, 20 and 30 years ago. A lot of things have happened since then. The grain reduction in west Texas and this sort of thing, and the cattle-feeding industry moved out there, but the increase in fuel—diesel fuel—just in the past few years has made it just virtually impossible to ship Florida cattle or Mississippi cattle or Alabama cattle all the way to west Texas, to Arizona, and even California to feed out and haul the meat all the way back to eat.

With the grain production in Indiana and Illinois and Kentucky and Iowa up in that region, I think the next two decades will have a real possibility to say that this may be one of the real tonnages to move on the waterway, bringing some of this grain down to feed these cattle in our area.

So, we do support the completion of the Tennessee-Tombigbee. I would like to thank you, again, for allowing us to be with you.

Senator COCHRAN. Thank you, very much, Mr. Powell.

We think the subcommittee, and the Senate, too, will benefit from the figures you have in your statement and the observations you have made to the subcommittee.

Senator STENNIS. Mr. Chairman?

Senator COCHRAN. Feel free to ask any questions that you like.

Senator STENNIS. I would like to commend you and thank you on the valuable testimony our witnesses have just given us. It is revealing to me; it is highly important.

If I may say, I have a voting record pretty well established. I am a conservative Senator, but I am never last in advocating some special program for land that will insure the land will not just be something you put up and sell here, there, and everywhere, and pour it into the hands of people who are non-Americans and so forth; but that it be given special consideration to always insure that it stays within the ownership and the control of local people.

If that is socialism, then I am a socialist, but it ties right into what you are saying here.

These grain costs, the one cost of transportation, is another reason why we have got to do these things to protect our land and those that live on the land to keep it going.

This is great, very strong testimony, I think. I think it will do the cause good. It encourages me to think that you have this operation going in such a strong, fine way.

Mr. POWELL. We hope it remains that way, Senator.

Senator STENNIS. Well, we thank you.

Mr. POWELL. Thank you, very much.

Senator COCHRAN. I know one thing I found out recently about some of our competitors in the soybean area was illustrated by the fact that near Brazilia, in Brazil, a farmer was growing soybeans and had a yield of about 50 bushels per acre due to the fertility and climatic conditions, but because of the expensive transportation from that area of Brazil to the ports was so great, he took that land out of production and put it back in pasture.

That, clearly, is an example of what we could be up against, too, if we found transportation costs making it very difficult to be competitive in international markets. I think your statement is very helpful to the committee, Mr. Powell.

Mr. Wilkins?

STATEMENT OF MORGAN DUBROW, SENIOR STAFF ENGINEER, NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION

Mr. WILKINS. Mr. Chairman, at this time, I would like to present Mr. Morgan Dubrow of the National Rural Electric Cooperatives Association in Washington.

Senator COCHRAN. Welcome, Mr. Dubrow.

Please proceed.

Mr. DUBROW. Senator Stennis, I appear here today representing the people of 46 States, and I am proud to say that in our 40th annual meeting in Atlanta, that our membership unanimously, again, endorsed this project. We have supported it from its inception and we will continue to support it.

I want to point out that we have two generation transmission cooperatives, one in Florida and one in Alabama, that will benefit from this project the day it is completed, and I am confident that with the help of this committee, it will be.

Seminole, in Florida, will benefit its members, its consumers who purchase electricity; they will benefit of up to $4 million. In Alabama, the Alabama Electric Cooperatives' customers will receive benefits of $4.5 million a year, predicated on moving only half of their coal over the Tennessee-Tombigbee.

By 1990, they will be benefiting $9 million a year, so that between the two, they will be benefiting, their customers will be benefiting from between $12 million and $13 million a year.

Again, I thank you for the opportunity to present this testimony.

Senator Cochran. Thank you, Mr. Dubrow.

PREPARED STATEMENT

We will make a copy of your full statement a part of the record, along with the letter and other addenda that accompany your statement.

We appreciate your being here.

[The statement follows:]

STATEMENT OF MORGAN D. DUBROW, SENIOR STAFF ENGINEER, NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION

Mr. Chairman, my name is Morgan D. Dubrow. I am Senior Staff Engineer of the National Rural Electric Cooperative Association (NRECA). NRECA is the national trade association of about 1000 rural cooperatives which supply central station electricity to some 25 million people in the rural areas of 46 states. Consumer demand for electricity in the agricultural areas of the nation last year increased by about 1 percent. Many of our member systems experienced reduced growth in kilowatthour use in 1981, in large part due to conservation, the increased costs of electricity, and a decline in business activity. However, our cooperatives had an increase in peak demand, the highest in history.

NRECA is pleased to appear before this Committee in support of $186 million FY 1983 construction and $3.2 million O&M budget requests for the Tennessee-Tombigbee (Tenn-Tom) Waterway. At NRECA's 40th annual meeting in Atlanta on February 10, 1982, our membership unanimously reaffirmed its support for the Tenn-Tom Waterway in Alabama and Mississippi.

Based on a 1975 study, coal is expected to be the principal commodity shipped on the Tenn-Tom Waterway. Twenty-eight million tons will move on the waterway in 1987, its first full year of operation; about 21 million tons will be coal shipments. Approximately 11.4 million tons are destined for export, with the remainder moving to electric utilities in the Southeast.

The Tenn-Tom's unique feature will provide the coal fields of the Illinois Basin and Appalachian region with a more direct water route for foreign trade and domestic markets in the Southeast. As a connecting link between the Tennessee, Ohio and Upper Mississippi Rivers and their tributaries with the Gulf of Mexico, coal produced in East Tennessee and Southeast Kentucky can be shipped via Tenn-Tom at a savings in distance of 829 miles. Coal from the Illinois Basin can save as much as 400 miles of travel.

The Alabama Electric Cooperative will benefit greatly from the shipment of coal over the Tenn-Tom Waterway. Details of the power supply, coal requirements, projected water shipments and attendant savings are set out in the attached letter from the Alabama Electric Cooperative.

The waterway also will have an impact on moving coal to Seminole Electric Cooperative's new plant at Palatka, Florida. This plant will be fully operational in 1985 with both 600-MW units on line. Coal for this plant will be mined in Western Kentucky and Southern Illinois. Since Tenn-Tom is not now available, the coal will be shipped to Port St. Joe, Florida via the Mississippi and the Gulf

Intracoastal Waterway. From Port St. Joe, it will move by unit train to the plant site. About 400 miles could be saved in the shipment of coal via the new waterway; this distance would result in a savings of $1.34 per ton or about $4 million annually based on a total shipment of 3 million tons consumed annually at the plant. In the event the coal continues to move down the Mississippi, under the Administration's legislation proposing a 1½ mills per ton mile user fee, 3 million tons moved an extra 400 miles would cost $1.8 million annually.

Contemplated shipments of coal to Alabama Electric Cooperative, Inc. and Seminole Electric Cooperative will save consumers in Alabama up to $4.5 million per year, and in Florida up to $4.0 million per year, making a total of at least $8.5 annually.

We fully support the testimony of the Tennessee-Tombigbee Waterway Development Authority. It would be the height of folly not to complete this much needed waterway which is about 80 percent constructed. We note that the completed project would achieve potential average annual benefits of $147 million with a benefit-to-cost ratio of 2.8 to 1.0, whereas the uncompleted project would have benefits of only $6.0 million and the benefit-to-cost ratio would be .13 to 1.0.

We at NRECA reiterate our support for this most valuable waterway and urge the Committee and the Congress to provide the funds for its orderly completion.

LETTER FROM CHARLES R. LOWMAN, GENERAL MANAGER, ALABAMA ELECTRIC COOPERATIVE, INC.

March 11, 1982

Mr. John Davenport
National Rural Electric Cooperative
 Association
1800 Massachusetts Avenue, N. W.
Washington, D. C. 20036

Dear John:

Thank you for agreeing to appear before the House and Senate Subcommittees on Appropriations for Energy and Water Development to make a supportive statement on behalf of Alabama Electric Cooperative, Inc. for the funding necessary for continued construction of the Tenn-Tom Waterway. Listed below is some information that I hope will be helpful in preparing your statement. I realize that some of this information you are already very much aware of.

Alabama Electric Cooperative, Inc. (AEC) is a generation and transmission electric cooperative that supplies wholesale power to eighteen distribution cooperatives, four municipalities, and two industries in South Alabama and Northwest Florida. These distribution cooperatives and municipalities serve approximately one-half million consumers in the sparsely populated area. Due to the lack of population density in their service area, the costs associated with the distribution of electric energy are substantially greater than in the more heavily populated urban areas of the country. Accordingly, these cooperatives are nonprofit, consumer-owned entities, operating on very slim margins. Thus, it can be readily perceived that anything significantly affecting the cost of generation, transmission or distribution of electric energy is of profound interest and concern to AEC and its member systems.

Presently, AEC has two coal-fired generating plants. The Tombigbee Plant is located near Jackson, Alabama on the Tombigbee River and Southern Railroad and has barge and rail unloading facilities. The McWilliams Plant, a small older plant, is located at Gantt, Alabama on the Conecuh River and Southern Railroad. Unfortunately, the Conecuh River is not navigable and the McWilliams Plant has only rail service. Recently the Southern Railway System advised that they plan to file with the ICC for permission to abandon the tracks that serve the McWilliams Power Plant.

In the 1960's the first 75 MW unit was installed at the Tombigbee Plant. The average burn for this unit was approximately 200,000 tons of coal per year. Again in the 1970's the Tombigbee Plant site was selected for the installation of two 235 MW coal fired units. This is AEC's largest generating plant. The estimated burn for the Tombigbee Plant is 968,000 tons in 1982, 936,000 tons in 1983, 986,000 tons in 1984 and just over a million tons in 1985-1989.

It addition to these facilities, a site has been selected in Choctaw County, Alabama for an additional 1600 MW of coal-fired capacity. This site is located on the Tombigbee River and one of the major factors in the selection of this site was the availability of water transportation.

It is estimated that this plant will burn approximately 2.8 million tons of coal per year. In addition to the coal that will be required it is estimated that 233,000 tons per year of limestone will be needed in conjunction with the sulfur removal equipment (scrubbers). All or a major portion of the coal and limestone that will be used at this new generating plant will be transported by barge on the Tenn-Tom Waterway.

A power requirement study has recently been completed and is being reviewed to determine when the new generation will be required. The best estimate at this time is that it will be needed sometime in the early 1990's.

One of the prime reasons for locating the first unit on the Tombigbee River was the availability of water transportation. Again in the 1970's the availability of water transportation was a prime reason for selecting this site for the two 235 MW units. Once again in the 1980's the availability of water transportation was a predominant factor in the selection of a site on the Tombigbee River for AEC's next fossil fired generating station. The Warrior/Tombigbee River System now provides a means of shipping that is both energy efficient and cost effective in transporting coal to produce energy for the electric consumers in AEC's service area. The Tenn-Tom will further enhance AEC's ability to serve its members at the lowest cost possible by making coal located in Tennessee, Kentucky, and Illinois available for its present and future generating units.

To insure a firm supply of fuel for the two 235 MW units at the Tombigbee Plant AEC purchased approximately 12 million tons of coal reserves in East Tennessee/Kentucky in 1975 and 8 million tons of coal reserves in Northwest Alabama in 1978. The coal from AEC's East Tennessee/Kentucky reserves moves via rail to the Tombigbee Plant. Since the acquisition of these reserves the rail freight rate has escalated from $8.67/ton to $16.68/ton, which represents a 92% increase in six years. AEC has received quotations from barge lines indicating it will be able to move coal from its Tennessee/Kentucky reserves to the Tombigbee Plant via barge at a much lower rate than by rail when the Tenn-Tom becomes operational.

After acquiring the Alabama coal reserves an annual volume rate of $5.25/ton was established in 1979 from Northwest Alabama to AEC's Tombigbee Plant. This rate has escalated to $7.86/ton a 50% increase in three years. The same year AEC secured a barge rate of $3.52/ton from Northwest Alabama to the Tombigbee Plant. This rate has escalated to $4.95/ton a 40% increase in the same period of time (3-years). The current 1.8% waterway users fee has escalated this rate to approximately $5.04/ton which represents another 3%. Even with the 1.8% waterway user fee the barge rate is36% below the current rail rate.

AEC's 1981 fuel cost was approximately 28 million dollars of which approximately 5 million dollars was transportation cost. The 28 million dollars represented 23% of AEC's operating cost in 1981 with transportation being 4%.

The contract with the towing company that furnishes barge transportation for AEC provides for an increase in the waterway users tax to be passed through to AEC.

AEC is a non-profit cooperative and if increased waterway users taxes are imposed by the Congress AEC will have no choice but to pass the cost on through to its members, who in turn will have to pass them on to their consumer/members. Many of the consumer/members live in sparsely populated areas and are already faced with higher power cost than people who live in the more populated areas of the country.

Thank you again for presenting AEC's position on the completion of the Tenn-Tom to these two important Congressional Subcommittees.

Should you have any questions on the information contained in this letter please give me or B. W. Thompson, Jr. a call at 205/222-2571.

Very truly yours,

Charles R Lowman

Charles R. Lowman
General Manager

STATEMENT OF GEORGE G. TAPPER, CHAIRMAN, PORT OF ST. JOE PORT AUTHORITY

Senator Cochran. Mr. Wilkins?

Have you got some more witnesses?

Mr. Wilkins. Just one more, Mr. Chairman.

Senator Cochran. That's all right. We don't mind.

Mr. Wilkins. I appreciate it. At this time I would like to present Mr. Joe Tapper, chairman, Port St. Joe Port Commission, Port St. Joe, Fla.

Senator Cochran. Welcome, Mr. Tapper.

We appreciate your being here. It is good to have another chairman in the room.

Mr. Tapper. I have a very brief statement that I would like to read into the record.

Mr. Chairman and Senator Stennis, my name is George G. Tapper. I am from Port St. Joe, Fla., and chairman of the Port St. Joe Port Authority.

I am here to support the continuation of the construction of the Tennessee-Tombigbee Waterway. There is presently being constructed at Port St. Joe at this time a $20 million coal-handling facility which will be unloading barges of coal from Illinois and Kentucky and will be transferred from barges to rail for delivery to Seminole Electric Cooperative in Palatka, Fla.

Seminole Electric Cooperative is planning on building a new generating plant in Taylor County, Fla. In all probability, this coal will move in the same manner as the Palatka coal. This will mean an increase in savings of an additional $3 million to $4 million over what they will be saving on the original $3 million that moves to Palatka.

The Port St. Joe Port Authority has engineering designs under contract at this time for the construction of a new deep seaport, and we expect during the month of April, through Lehman Bros. of New York, to sell some $30 million worth of 3-year notes for this construction.

We feel that the completion of the Tennessee-Tombigbee Waterway will be a tremendous asset to the success of this new port.

Thank you, Mr. Chairman, for permitting me to appear.

Senator Cochran. Thank you, Chairman Tapper. We appreciate your coming and providing the committee with that information.

We are confident it will be very helpful to us.

Mr. Wilkins, other statements?

Mr. WILKINS. Mr. Chairman, at this time I would like to ask that the record be held up for any statements that may come in later to be submitted for the record.

Senator COCHRAN. It, of course, will be, and we will be happy to receive any other statements from any persons who would like to express themselves on the subject of this appropriation. We will include those statements in the record. I am sure they will be carefully considered by the committee.

TENNESSEE-TOMBIGBEE WATERWAY

STATEMENT OF LARRY OTIS, EXECUTIVE DIRECTOR, TOMBIGBEE RIVER VALLEY WATER MANAGEMENT DISTRICT

Mr. WILKINS. Mr. Chairman, we have with us today, Mr. Larry Otis of the Tombigbee River Valley Water Management District who would like to make a statement, if he may.

Senator COCHRAN. Of course. We are very happy to have Larry Otis here. We have him on our agenda. the executive director, Tombigbee River Valley Water District. That is a big title.

Mr. OTIS. That is a lot of name. We certainly do appreciate the opportunity to be here today. We have eight of our directors present.

I will give those names to your committee members and I would like to have them reflected as participating in this hearing. We would like to put the water management district in the perspective of some of this role that it plays within our State.

The water management district serves as the local sponsor to the Corps of Engineers for the activities, non-Federal activities, that take place within our State. We have elected to do that chore and we have found it to be a very rewarding experience working with the Corps of Engineers and getting this project and continuing it along the way.

We also would like for you to understand, too, that there has been some criticism about the State being a problem, having this project within one State. I would like to point out to you that the river was there even before the States existed, and this river was used before the States existed and even before the United States existed by our predecessors, and even some of us in this room today have furniture and other things that were brought up the river in its original form back in the early 1800's.

We believe that the district has served a role in getting the project to the point that it is within our State from the standpoint of our responsibility. We found the Corps to be very responsive in being aware of our heritage and the concern that they have for our environment that we have.

The State has completed or has under contract all 10 bridges that are required by the waterway as it goes through our State.

At present, there is underway a very detailed study being conducted by the board of economic development, the R. & D. Center, TVA, the district, and others that are involved in selecting large industrial tract sites along the Tennessee-Tombigbee Waterway.

This has been narrowed down now to some five States that will be working toward identifying whether these really have the definite qualities that we would like to see in this in the future. We are hopeful that in the future our Mississippi State Senate and the House will pass measures that will enable us to provide some option money so that these lands can be purchased and held for industrial development along the way.

We are continuing to see things happen within our State that prove to us that people are looking for the point at which the waterway is going to be completed.

We are optimistic of that, and we look forward to it. The district continues its relationship with the Tennessee-Tombigbee Waterway and with the flood control measures along the 22 tributaries of the Tombigbee.

We join with the President in requesting your continued support of the waterway. We in Mississippi are working to make this a vital waterway, a link to America's heartland, and to allow the export of goods and to allow Mississippi to move forward.

[The statement follows:]

Statement of Larry K. Otis, Executive Director, Tombigbee River Valley Water Management District

SUMMARY

TENNESSEE-TOMBIGBEE WATERWAY PROJECT - PL 525, 79th CONGRESS
MISSISSIPPI AND ALABAMA

RECOMMENDING CONTINUED FUNDING THAT WILL ALLOW CONTINUED CONSTRUCTION ON THIS PROJECT TO THE FULL CAPABILITY OF THE CORPS OF ENGINEERS.

TOMBIGBEE RIVER AND TRIBUTARIES

FLOOD CONTROL PROJECT - PL 85-500, 85th CONGRESS MISSISSIPPI AND ALABAMA

RECOMMENDING CONTINUED SUPPORT OF FLOOD CONTROL PROJECTS ON THE TOMBIGBEE RIVER AND TRIBUTARIES IN THE STATE OF MISSISSIPPI TO THE EXTENT OF THE CORPS OF ENGINEERS' FULL CAPABILITY.

In 1962, the Mississippi Legislature created the Tombigbee River Valley Water Management District as part of the state's response to Tennessee-Tombigbee Waterway and the role of Local Sponsor for the Corps of Engineers. The District has a broader role that includes water resource development and economic development of the 12 member counties in Northeast Mississippi.

The Tennessee-Tombigbee passes through (5) five of those counties while the remaining (7) seven will benefit from the proximity to the inland waterway.

The people of Northeast Mississippi have a significant strength, starting with the original Mississippian, the Indian that lived along the Tombigbee. That spirit of a relationship to the land has continued. A joy of living with the land has been handed down from the Chickasaw Indians to 18th Century settlers that moved to the "West", the Mississippi territory. That spirit of living compatible with the land continued through the agricultural Old South with cotton being raised in the area and shipped South along the Tombigbee to Mobile and goods shipped North such as the furniture of our families that was shipped up the river in the 1800's.

Today the economy of the Tombigbee Basin has progressed toward a sprinkling of modern industrial employment centers. This has given employment opportunity to an agricultural based population, but has not been enough to move Mississippi away from the bottom of the economic measure of all 50 states.

The Tombigbee River through all of the passage of time has continued to flow through the area of the Chickasaws that used it for transportation, to the use of shipping of agricultural commodities south in the 1800's to limited use in the mid-1900's.

The opportunity of the Tennessee-Tombigbee Waterway is to allow its use from a historical perspective, a water passage through and serving people as it moves South.

Mississippi does not have the same natural resources of its neighbors, no iron ore for example, but it has some of the largest timber and forest reserves of the South. Our Governor has set into action an effort to enhance this forest resource by working toward improvement of tens of thousands of acres per year. An effort that in twenty years of less will yield benefits to the people, the area, and Mississippi.

We also have potentially a vast lignite reserve that even now is under intense study by major energy corporations as well as our State Government.

The spirit of "Living with the Land" is a historical heritage of Mississippi people. We are raised to the knowledge that if we take care of the land it will take care of us. Our love of the land and its resources may be the reason we are not better economically in our State. We believe in conserving our resources and enjoying their availability and use.

We look forward to the Tennessee-Tombigbee Waterway and its completion and service to the people of the Eastern United States. We have accepted the river in its historical perspective, have lived with it in flood and drought, as a neighbor and as an opportunity for service to mankind.

The Tombigbee River Valley Water Management District has elected to serve as the Local Sponsor in Mississippi for the Tennessee-Tombigbee Waterway in the major activities such as arranging for the construction of highway bridges, impacted sewer, water supply, utilities and other related activities. We have worked on delicate issues affecting local services. Mississippians have responded because they concur with the principle, the concept of the Waterway and the potential it holds for our future.

We have found the Corps position as to its concern for the environment, a careful, studied and resolute awareness of "Our Heritage" environment. Mississippians, specifically Northeast Mississippians, have provided funds in excess of $30,000,000 to provide access over the canal in the form of ten (10) bridges.

The Mississippi Board of Economic Development, the Governor's Office of Planning and Policy, the Research and Development Center, Tennessee Valley Authority and the District have initiated efforts to identify large tract industrial sites along the Waterway. A review process by professionals in industrial development are examining potential sites to determine where 750 to 1000 acres can best fit the requirements of rail, port, power, water, highway and all other necessary features. The District is providing on ground services to help the professionals by providing soil studies, borings, maps, and photographs.

The Mississippi Senate has approved a bill to help counties and towns obtain land along the Waterway for industrial use. Funds available for this purpose would be administered by the Department of Economic Development.

We are aware that major industries are looking at sites along the Waterway. They are looking to find those locations that fit their commodities and manufacturing speciality. They also are looking and waiting to see the Waterway completed and open before making major commitments.

Smaller private investors have already moved to start activities on the completed section. A private port development has already started at Columbus, a grain elevator terminal and port near West Point and several firms specializing in barge and towing operations have started.

We are aware of our environment and fight to protect it so that it will continue to serve us as we live in it.

We are aware that the Corps has made great efforts to sense the impact of the environment, including our historical features. In fact, we know more historically about the Tombigbee Basin and the route of the Tennessee-Tombigbee Waterway than ever before about where, when and what took place along its flow southward. Those thorough investigations will allow all people to know, visit and sense that history as future recreation develops.

We also know that the Corps' concern for water quality has resulted in some of our water flowing into the Tombigbee to actually be improved over its prior quality.

The District as Local Sponsor continues its relationship to the Tennessee-Tombigbee Waterway and the flood control measures along the 22 tributaries of the Tombigbee River. We join with President Reagan in requesting your continued support of the Waterway. We in Mississippi are working to make this vital inland waterway a link with America's industrial heartland, to allow export of American goods, and help Mississippi move forward with America.

LIST OF INDIVIDUALS APPEARING IN SUPPORT OF THE STATEMENT SUBMITTED BY TOMBIGBEE RIVER VALLEY WATER MANAGEMENT DISTRICT TUPELO, MISSISSIPPI

MARCH 29, 1982

Robert L. Calvert, President
West Point, MS 39773

Larry Otis
Executive Director
Tupelo, MS 38801

James Chatham
Vice President
Fulton, MS 38843

T. Charles Gower
Secretary
Baldwyn, MS 38824

Mrs. Miriam Kirkpatrick
Treasurer
Amory, MS 38821

Charles R. Caviness, Director
Corinth, MS 38834

Wayne Riley, Director
Fulton, MS 38843

Bob Marshall, Jr., Director
West Points, MS 39773

O. E. Bostick, Director
Golden, MS 38847

Mike Sullivan, Director
Okolona, MS 38860

Bill McClure, Director
Columbus, MS 39701

Joe M. McElwain, Director
Ripley, MS 38663

PREPARED STATEMENT OF GLOVER WILKINS, ADMINISTRTOR, TENNESSEE-TOMBIGBEE WATERWAY DEVELOPMENT AUTHORITY

Senator COCHRAN. Thank you very much, Larry. We appreciate your being here and providing that statement to the subcommittee.

Do you have any other statements, Mr. Wilkins?

Mr. WILKINS. Mr. Chairman, if I may, I forgot to submit my own statement, but I want to submit it for the record, along with a list of the members of the authority and staff that are present today.

Senator COCHRAN. Of course. Please proceed. You want to submit it for the record?

Mr. WILKINS. Yes.

Senator COCHRAN. That is wonderful. [Laughter.]

A lot of these folks have been sitting out there a long time, an hour and a half. Everybody has been very patient and considerate during this time. We appreciate all of you for summarizing your statements so we can get around to hearing everybody that we want to hear from today.

We appreciate that.

Mr. WILKINS. We appreciate this opportunity, Mr. Chairman. Thank you very much.

STATE FINANCIAL SUPPORT

Senator COCHRAN. Just briefly, how much has been spent by the States toward the development of the Tenn-Tom?

Mr. WILKINS. The States of Alabama and Mississippi are responsible for $164 milion of highway bridge relocations and related costs as part of the waterway's construction. All of these funds are either spent or obligated.

In addition, the States have spent over $252 million on public port development since construction of Tenn-Tom began

This amounts to a total investment of more than $416 million. I would like to submit a detailed breakdown of these State costs which I request be made part of the record in response to your question, Senator.

Senator COCHRAN. Yes; we would like to have that for our records.

[The information follows:]

STATE AND LOCAL SUPPORT OF TENNESSEE-TOMBIGBEE WATERWAY

PRIVATE PORT DEVELOPMENT

An unofficial and partial survey of private investments made in private developments along the Tennessee-Tombigbee Waterway in Alabama and Mississippi shows the high degree of confidence and anticipation being placed in completion of the Tennessee-Tombigbee Waterway by 1986. According to the incomplete survey, over $34 million has been invested by private interest in private port development in Mississippi and Alabama ($10,960,000 in Alabama and $23,300,000 in Mississippi).

In addition, directly impacted areas located on or near water arteries in Tennessee, Kentucky, and Florida which connect with the Tennessee-Tombigbee Waterway have also reported increased activity and interest from private investors. No official accounting of their investments is currently available.

PUBLIC PORT INDUSTRIAL SITE DEVELOPMENT

In the States of Mississippi and Alabama, funding of port and industrial site development along the Tennessee-Tombigbee Waterway is unofficially totaled at $252,432,000 ($230,091,000 in Alabama and $22,341,000 in Mississippi). In addition, hundreds of miles removed from the banks of the Tennessee-Tombigbee, other public bodies are also expending vast sums preparing to take advantage of the new waterway. As an example, Kentucky has invested $19.5 million in port/industrial development predicated on Tennessee-Tombigbee. In Tennessee, over $36 million in investments have been made. These are unofficial and incomplete figures and officials of the four States indicate a more thorough assessment would prove these figures to be conservative.

PRIVATE INDUSTRIAL DEVELOPMENT

It is virtually impossible in this age of intense competition to get a major industry to allow information about their specific plans to be publicized, yet the limited available information about privte industrial investments in the Tennessee-Tombigbee corridor is most encouraging and portends the growth potential that the region can realize when the waterway is fully operational in 1986.

As an example, Mississippi Governor William Winter said at a public hearing on January 23, 1982, that over $800 million in private investment is proposed or under construction in Mississippi that is directly related to the waterway.

In Alabama, at the port city of Mobile, the chamber of commerce claims over $1.6 billion in industrial expansion over the past 10 years is predicated on the Tennessee-Tombigbee Waterway. Further, they show that over $750 million has been invested by area plants located near Theodore Island which is part and parcel of the terminus of the Tennessee-Tombigbee.

LOCAL PUBLIC FUNDS INVESTED BY LOCAL SPONSORS

The non-Federal costs for highways, bridges, sewer and water supply relocation, and construction—borne by Alabama and Mississippi—totals $164 million.

In addition, the local sponsors in Mississippi have expended $736,772 in secondary roads, waterline relocation, appraisals, and legal fees.

Additional funds estimated at $1,546,000 will be necessary for both Alabama and Mississippi to fulfill obligations under the 50-50 cost-sharing plan for operation, maintenance, and replacement of recreation facilities. In addition, the estimated annual cost of maintenance of these facilities is $215,000.

PREPARED STATEMENTS

Senator COCHRAN. Thank you. We thank all of you for giving us your support. We will also include any additional statements in the record at this point.

[The statements follow:]

STATEMENT OF GLOVER WILKINS, ADMINISTRATOR, TENNESSEE-TOMBIGBEE WATERWAY DEVELOPMENT AUTHORITY

Mr. Chairman, I am Glover Wilkins, Administrator of the Tennessee-Tombigbee Waterway Development Authority. The Authority is a five-state interstate compact, established in 1958 to promote development of the Tennessee-Tombigbee Waterway and its economic and trade potential. The Authority's member states consist of Alabama, Florida, Kentucky, Mississippi and Tennessee.

Construction of the Tenn-Tom is now in its tenth year. Because of the strong support the project has enjoyed from this Committee and the Congress, as a whole, considerable progress has been made during the past year toward its completion.

By the end of this fiscal year, the project will be 71 percent completed with the navigation facilities, themselves, approaching 80 percent completion. By then, over $1.3 billion will have been invested in the project with actual commitments by the Federal government to the project exceeding $1.5 billion.

All major structures or facilities are either completed or underway. For examples, locks at Gainesville and Aliceville, Alabama; Columbus, Aberdeen and Lock A in Mississippi are completed. Locks B and C in the Canal Section and Bay Springs Lock and Dam in the Divide Section will be essentially completed by the end of FY 1982. The remaining Locks, D and E, will be nearing one-third completion.

Excellent progress is being made in the excavation of the Divide Cut. Already 128 million of the 155 million cubic yards of material to be excavated have been removed. Work in this reach of the project is now about three-fourths complete. By the end of the fiscal year, navigation features in the Divide Cut will be 94 percent completed.

The southern 116 miles of the 234-mile waterway are now open to limited commercial use. Over 4.9 bushels of soybeans and wheat have already been shipped on this portion of the project. In addition, 14 miles of the Divide Section have been flooded and are now available for navigation.

While not a specific purpose for its funding, construction of Tenn-Tom has helped greatly to dampen the effects of the current economic recession in the waterway area.

About 3000 workers are now employed on the waterway, over 80 percent of which are from the waterway area. Annual payroll for these workers exceeds $40 million. This influx of additional income in a region that has the lowest per capita income of the nation has created socio-economic advances for many unemployed and underemployed people.

Through the efforts of a strong progressive affirmative action plan about one-third of the construction workers are minorities and females. During the period of October to December 1981, about $11 million of wages were earned by Tenn-Tom construction workers of which about $3.4 million went to minority and female workers.

The waterway construction has also provided much needed opportunities to small and disadvantaged businesses. Over 35 million dollars of construction work have been awarded to minority businesses with millions of dollars of additional work going to small businesses.

While Tenn-Tom has and continues to stimulate the local and regional economy, it has also provided economic opportunities to contractors and businesses throughout the nation. Contractors from 18 states have worked on the waterway. Businesses in the State of Idaho have received $298 million followed by Minnesota ($172 million), Alabama ($168 million) and California ($91 million). Surprisingly, prime contractors in Mississippi have only received about $1.7 million of a total of $1.2 billion of contracts awarded on the waterway.

Although construction has now reached a point where completion of the waterway can now be envisaged, there are a few who continue to advocate termination of the project. It is difficult to comprehend the logic of the few remaining advocates for abandoning a Federal investment of this magnitude, wasting over one billion dollars in sunk costs and denying the nation the huge economic return from this investment.

As mentioned earlier, over $1.3 billion will have been invested in the waterway construction by the end of FY 1982. This does not include about $165 million of non-Federal costs already spent or committed to new highway bridges and other relocation costs.

It is estimated that an additional $325 million would be required to pay contractor claims, restoration of project land and other related costs, if construction is terminated.

In terms of economic benefits, only about $6 million in average annual benefits would be realized, or a benefit-to-cost ratio of 0.13 to 1 if the project is abandoned. By contrast, a total of $151 million in average benefits may be gained by spending an additional $546 million after 1982 to complete the project realizing a benefit-to-cost ratio of 2.8 to 1.

Based on this overwhelming economic justification for completing Tenn-Tom, we are confident this Committee and the Congress will continue to support its early completion.

The uncertainities about the future of the Tenn-Tom caused by the challenges to its continuation in the Congress the past two years have, unquestionably, deterred economic development activities associated with the waterway. Now with these threats behind the project, we are confident that with an upturn in the economy a pronounced increase in economic growth along the waterway is forthcoming.

During these hearings, the Authority is submitting copies of scores of letters and statements received from industries concerning their interest and support of the Tenn-Tom. Many of these statements contain specific plans concerning shipments of commodities on the waterway. These plans are further evidence the Tenn-Tom will be a viable commercial artery and totally refutes the allegations of the opponents degrading its transportation worth.

Statements received from utilities and coal companies reaffirm Tenn-Tom's importance to coal production. Over 21 million tons of coal are expected to move on the waterway during its first full year of operation, alone, at a savings in transportation costs of $68.2 million. Savings in transportation costs for coal will average $87 million annually over a 50-year period. Of the 21 million tons, 11.4 million tons will be destined for export through the Port of Mobile.

The Alabama State Docks have spent $226 million on expanding its port facilities at Mobile since construction began on Tenn-Tom. In addition, over $165 million have been spent in Alabama and Mississippi for construction of 13 new highway bridges and relocations required by construction of the waterway. When all costs are considered, these two states and local governments have already contributed well over $300 million to the development of the waterway and its economic potential.

The President's budget request of $186 million for FY 1983, if approved, will maintain the September 1986 completion date for the navigation features of the project. The Authority greatly appreciates the President's support of Tenn-Tom. On March 15th while appearing before a joint session of the Alabama State Legislature, the President endorsed completion of the waterway.

Part of the President's budget proposal involves deferral of all planned recreational development along the waterway after this year unless local interests agree to cost-sharing provisions set forth in the Water Projects Recreation Act of 1965.

We do not believe it is equitable to change administrative policy involving additional non-Federal costs so abruptly after agreements and contractual obligations have been consummated between Federal and non-Federal interests.

As noted above, the states have spent millions of dollars on relocation of highway bridges, most of which would have been Federal costs had more recent policies (Truman-Hobbs Act) involving bridge relocations been applied to the Tenn-Tom. Therefore, it is not fair to propose changing the policy for recreation requiring additional non-Federal costs while continuing an older policy that requires substantially more state responsibilities for highway relocations than present policy.

Deferring recreational development at this time will preclude safe access to the already completed portion of the waterway. Not only will hazardous conditions exist with people attempting to use the completed portion of the waterway for recreational purposes, the elimination of these facilities also forecloses the best opportunities for small and disadvantaged businesses to work on the waterway.

We recommend that recreational development be continued under the presently agreed to policy and that some recreational facilities be constructed in 1983 within the total funds made available for the project.

The Authority also is concerned about the drastic reduction in the funds requested for operation and maintenance of the completed portion of the waterway. We understand that this reduction and similar cutbacks for other waterways are part of a strategy to force the Congress to approve the Administration's proposed legislation on waterway user charges.

The level of O & M funding proposed for Tenn-Tom essentially places the project in a caretaker condition. We recommend that operation and maintenance of the waterway be funded at a proper level to assure its functions are fulfilled. The proposed cutback raises a fundamental question of why make large capital investments in a project if the Federal government is not willing to spend much smaller revenues to realize the expected economic benefits or return from this investment.

The Authority greatly appreciates the support Tenn-Tom has enjoyed from this Committee. We know that funding to keep the waterway on schedule will be given careful consideration within the overall budgetary constraints imposed on the Committee.

Thank you for this opportunity to present my views on the Tenn-Tom.

Tennessee-Tombigbee Authority Members Present:

Barbara Bobo, Millport, Alabama
Gene Braswell, Birmingham, Alabama
Fred Bush, Tupelo, Mississippi
Alex Chamberlain, Louisville, Kentucky
Doyle Conner, Tallahassee, Florida
Harvey Cotten, Tallahassee, Florida
Z. C. Enix, Murray, Kentucky
Herman Ewing, Memphis, Tennessee
Fuller Kimbrell, Fayette, Alabama
Richard Manley, Demopolis, Alabama
Jack Paxton, Paducah, Kentucky
John Stanley, Corinth, Mississippi
Elton Stephens, Birmingham, Alabama
Ray Thornton, Fulton, Mississippi
Bill Thrash, Clanton, Alabama
Bennie Turner, West Point, Mississippi
Emmett Yeiser, Savannah, Tennessee
Bill Stevens, Tallahassee, Florida (representing Secretary of State George Firestone)
Redwood Taylor, Frankfort, Kentucky
Jim Loudermilk, Pensacola, Florida
Jim High, Columbus, Mississippi
John Waters, Sevierville, Tennessee

Tennessee-Tombigbee Staff:

Glover Wilkins, Administrator
Donald G. Waldon, Deputy Administrator
Darlene Scogin, Assistant Administrator and Director of Public Affairs

STATEMENT OF ROBERT M. HOPE, DIRECTOR, ALABAMA STATE DOCKS DEPARTMENT

On behalf of the Alabama State Docks Department and Port of Mobile we appreciate the opportunity to appear before the Committee today and offer this statement in regard to fiscal 1983 appropriation measures relative to Mobile Harbor.

The Alabama State Docks Department is the terminal facilities operator for the Port of Mobile and operates and maintains port handling facilities which include a Bulk Material Handling Plant, Public Grain Elevator, Export Coal Handling Terminal, General Cargo Facilities including wharves, piers, and warehouses as well as a Terminal Railway.

The Port complex entails approximately 850 acres and is valued in excess of $500 million.

Primary cargoes handled through the Port of Mobile include inbound ores such as bauxite, manganese, magnesite, ilmenite, iron ore, and steam coal. Grain exports include soybeans, corn, wheat, oats, middlings and screenings. Coal for export constitutes a major cargo as well as outbound crude oil which moves to the Port from recovery operations in Florida and in North Mobile County.

In the past five years and within the next ten-month period the Alabama State Docks Department will have spent in excess of $250 million on renovations, expansion, and improvements to the port handling capabilities at the Mobile Facilities. These funds have been expended to meet the required present cargo handling capability of tonnage generated by our inplace inland river system, the four trunk line railroads serving Mobile, 45 truck lines which initiate and terminate cargo in Mobile, and in anticipation of the developing interstate waterway system which will become a realization with the completion of the Tennessee-Tombigbee.

It might interest this Committee to know that the Port of Mobile has experienced an increase in tonnage over the last five years of approximately 14 percent, and in the specific case of export coal approximately 35 percent.

Our preliminary assessment of this year's tonnage growth indicates that the Port could set new records for tons handled this year in excess of 45 million tons.

Our figures indicate, on an annual average over the last five years, the Corps of Engineers has expended approximately 4.8 million dollars in operations and maintenance of the Mobile Harbor. We are extremely distraught over the fact that this year's budget only indicates an available figure of $3,721,000 for Operation and Maintenance of the harbor. We note, however, that the Corps' capability is $6,027,000

In view of the fact that both import and export tonnages are increasing annually at the Port of Mobile, that the export of coal and grain from the Alabama State Docks facilities is of such volume to directly affect favorably the country's balance of trade and payments, and that the value of goods moving through the Port of Mobile last year was estimated to be some 1.8 billion dollars, it would seem incredulous to not fully fund the required Operation and Maintenance of this busy Harbor and in effect adversely impact on the economic viability of the nation.

With these points in mind and in support of testimony previously submitted by Governor James, we would request full funding of the Operation and Maintenance of Mobile Harbor as well as for the continued planning and engineering of the Mobile Ship Channel Deepening and Harbor Improvement Program.

We thank you for the opportunity to appear before this Committee today, and respectfully request that this statement be incorporated in and made a part of these Hearings.

STATEMENT OF EDWARD S. REED, EXECUTIVE PORT DIRECTOR-GENERAL MANAGER, PORT OF NEW ORLEANS

The Tennessee-Tombigbee Waterway is a project that has been supported by the Port of New Orleans since its inception. This project, in our judgment, will make an outstanding contribution to domestic and foreign trade movements and, in effect, will become a key waterway in servicing the ports of the entire Gulf region. It will provide the industrial and agricultural heartland of America another direct and vitally important route to the deepwater Gulf ports system. Its expedited completion will provide added stability to the entire region's economy by increasing the viability of industry. It will also be a great stimulus to regional and economic development in the area that it traverses, which, for the most part, involves economically underdeveloped or deprived locations.

In light of the worldwide energy crisis, perhaps the single most important role of the new waterway in our nation's future is to provide another route for coal movements. In that role, the Tennessee-Tombigbee Waterway will add a major new fuel-efficient artery for the delivery of Appalachian coal to world coal markets through the Port of Mobile.

Over 1.2 billion tons of coal are expected to move on the Tennessee-Tombigbee during its fifty-year economic life, an average of 23.5 million tons annually. Projects such as the Tennessee-Tombigbee historically produce incentives for economic growth which result in jobs and financial security over a far-reaching area.

The Board of Commissioners of the Port of New Orleans strongly supports and urges expeditious completion of this vital waterway artery which we believe to be in the overall national interest.

SUBCOMMITTEE SUPPORT

Senator STENNIS. Mr. Chairman, may I say one word to these gentlemen?

Senator COCHRAN. We have a hard question for you here, gentlemen.

Senator STENNIS. You might wonder. When I saw some of you were about to leave, you might wonder why there are so few of us here from this subcommittee membership. Senator Cochran and I don't come near to running the Senate, here.

Senator COCHRAN. Maybe we can get them to leave more often.

Senator STENNIS. But all the members of this subcommittee, if my information is correct here—and we can check the record—all the members of this subcommittee share two committees already.

Now, this committee is one that has, perhaps, no more bodies than any other. Last year, all except four voted for it on the full committee according to the record I have here before me. They come from all over the Nation, nationwide.

I mentioned Senator Hatfield, the chairman, from Oregon. Then there is Mr. Weicker. He is from Connecticut, and on up, all over the Nation, so I think that speaks mightily well for the project on the facts, because we are more familiar with it. I feel most grateful. I think this is some of the most valuable testimony we have heard. It is a new kind of testimony, as you know.

You can't laught this off; you can't tell a joke to entertain the gatherers who want this project, laugh off facts like you have here delineated which speak for themselves. It shows an interest. The companies are here. People are planning their future; the taxpayers. They create jobs, so a lot of the proof of the pudding is in these facts here.

I want to, again, thank everyone of them for coming.

Senator COCHRAN. Thank you, Senator.

Thank you, Mr. Wilkins. Thank you very much, too, Governor Collins. We apreciate, again, your being here and helping the committee.

Mr. WILKINS. Thank you.

COOSA-ALABAMA WATERWAY

STATEMENT OF C. R. CARLSON, EXECUTIVE VICE PRESIDENT, COOSA-ALABAMA RIVER IMPROVEMENT ASSOCIATION, INC.

ACCOMPANIED BY:

CHRIS B. HEINZ, PRESIDENT, COOSA-ALABAMA RIVER IMPROVEMENT ASSOCIATION, INC., SELMA, ALA.

MARY GEORGE WAITE, VICE PRESIDENT, COOSA-ALABAMA RIVER IMPROVEMENT ASSOCIATION, INC., CENTRE, ALA.

JOEL SUZBACKER, MEMBER, EXECUTIVE COMMITTEE, COOSA-ALABAMA RIVER IMPROVEMENT ASSOCIATION, INC.

THOMAS McKENZIE, DISTRICT MANAGER, ALABAMA POWER CO., VICE CHAIRMAN, GADSDEN CHAMBER OF COMMERCE

Senator COCHRAN. We now will be hearing from Mr. C. R. Carlson, executive vice president of the Coosa-Alabama River Improvement Association. We understand that Mr. Carlson has other witnesses who are with him to present testimony concerning the Coosa-Alabama Waterway.

Mr. Carlson, we want to welcome you to the hearing. We appreciate your being here. We will let you introduce those who have accompanied you and tell us why you are here.

Mr. CARLSON. Thank you, sir; we appreciate that. We have with us today our president, Mr. Chris Heinz, from Selma, Ala.; as well as our vice president from Alabama on the end, Mary Waite, from Centre, Ala. Next to her is Joel Suzbacker from Rome, Ga., a member of our executive committee. On my right is Mr. Tom McKenzie representing the Gadsden Area Chamber of Commerce.

We would like to start by hearing from our president, Mr. Chris Heinz.

Mr. HEINZ. Mr. Chairman, this statement is presented on behalf of a group of concerned citizens who constitute a true association of the public and private sectors of our area. In addition to private firms and individuals we include 18 counties and 21 municipalities among our members. On behalf of our total membership, we appreciate the opportunity to appear before you today. In addition to the large contingent who are here in person, we bring written statements from many others. We request that these statements also be entered into the record of these proceedings.

Senator COCHRAN. Without objection, it is so ordered.

Mr. HEINZ. This is the first year since this association was incorporated in 1956 that we have appeared without Dr. Robert F. Henry, a spokesman and leader of this delegation. Before he died this past year, he had made 25 consecutive annual trips to appear before this subcommittee. You can be assured that those of us who appear today share Doctor Henry's dream for adding a fully developed Coosa-Alabama Waterway to the inventory of major economic resources of our Nation.

He was a great man and an outstanding individual, and honor to his name. I want to say a word about the move to hold back money for maintenance of our river system unless you, the Congress, greatly increase user taxes.

SYSTEM OPERATION AND MAINTENANCE

The State and local government officials are very concerned about this threat to close the river and impact of what could be very heavy-handed cost recovery policies. Extensive public and private investments would be seriously depreciated. These investments were triggered by the promise of low-cost water transportation and exceed the total Federal investment time and time again.

Our local officials were acting in good faith in their industrial development activities and industry responded in kind. Much good work could be undone. Plants on the verge of locating on the waterway will find another place more desirable. The two largest private single phase capital investments in Alabama—Alabam Pulp, $285 million; and Ideal Basic Industries, $298 million—are desiring to use the Alabama River and another on the river, $1.5 billion General Electric industrial complex in Lowndes County, is now under the planning and permit stage.

We must oppose the major shift of the ground rules for those who made such important investment decisions based on the long-standing Federal policy.

I am certainly glad to see Senator Stennis serving in his dual role, because I know he represents Alabama as a Senator, and I am glad to see you here representing the State of Mississippi. Thank you very much.

Senator COCHRAN. Thank you, President Heinz. We certainly appreciate your being here and providing us with your statement and having members of the Coosa-Alabama River Improvement Association here. Senator Stennis may want to have some time for rebuttal. [Laughter.]

Senator STENNIS. I want you to know, I have known the Coosa River, flown over it many, many times. That is the one that flows right by Gadsden, isn't it?

Mr. HEINZ. Yes.

Senator STENNIS. That is where I first saw it way back. I rode in your boat a long time. I will be with you all the way, all the way. [Applause.]

Senator COCHRAN. Mr. Carlson?

Mr. CARLSON. Mr. Chairman, we want to express our appreciation of your scheduling hearings in coordinated style with your sister committee in the House. This makes it possible for us to bring a substantial delegation. Some of them had to leave this afternoon. We did have a host of 67 who were here at the beginning of these hearings. I would like to have, at this time, those who are present please stand up. [Large group standing.]

Senator COCHRAN. Thank you very much for being here. [Applause.]

We have copies of statements, too, I think, from all of you. We have quite an array of statements in support of the appropriation, and we will certainly make all of those a part of the record.

MONTGOMERY TO GADSDEN, COOSA RIVER CHANNEL, ALABAMA

Mr. CARLSON. Very good. Included in that is a statement from Gov. Fob James of Alabama on behalf of our waterway, as well.

We do have a new construction start, I would suggest. We don't want you to feel that because you are going to finish the Tennessee-Tombigbee Waterway that you will be neglecting our part of the country. This new construction start is the Coosa River navigation project. Our vice president for Alabama, Mary George Waite, will expand on this request.

Mrs. Waite?

Senator COCHRAN. Mrs. Waite, welcome.

Mrs. WAITE. Thank you, Mr. Chairman. It is so nice to be here with you. It is good to see you again, Senator Stennis. We feel like you belong to us, too. We are aware that you have flown over this great Coosa River of ours. We are glad.

Advanced engineering and design work on the Coosa River navigation project has progressed to the point where the Army Corps of Engineers is ready to start construction in March 1983. This is a major milestone with us. We know that this construction really would not be possible without the $20 million previously provided by the Congress for this purpose.

Our request includes $10.5 million for land acquisition, excavation, and detail design of the first five locks in this project. This is the amount that we need to keep the project on schedule toward the completion date of 1990.

As you are probably aware, and I know you are, there has been an increase of more than 100 percent in the cost estimate for this project during the 5 years of engineering and design. Field surveys revealed more difficult engineering problems than we had anticipated at first. Of course, inflation, which we don't even want to mention sometimes, took its toll again, a 45-percent increase, as everything else.

In view of these increases, Congressman Bevill, from Alabama, requested an extensive reassessment of the benefits of the project to determine its economic worth. That study will not be available for several weeks, but we are confident that the results will more than justify the new level of confidence.

We really feel that this is a national project rather than just a regional asset, because we all know that when we gals were courting, the longest way around was the shortest way home. [Laughter.]

That is not true of this particular project. [Laughter.]

The interviews, the plant visits, and other activities involved in the economic reassessment has even generated more excitement among the people who live up and down the Coosa River.

We see this because there are many local agencies that have been born to help push this Coosa River project. Just recently, the Coosa River Development Task Force, made up of elected officials in one of Alabama's regional planning commissions, has been formed. Then, of course, in our own State, we have the Coosa Valley Development Authority. This has reaffirmed its stand of real support for this project.

Another one of our local agencies is the Coosa River Action Council. This council is an outgrowth of the Gadsden Area Chamber of Commerce, and they helped to organize this delegation, and many of them are present today. Even though the project will not be completed until 1990, we are just as pleased and just as excited and all of us have our sleeves rolled up, ready to do whatever we possibly can to help push this through, because we visualize our whole area as being a diamond in the rough with one pin point in Atlanta, Chattanooga, Birmingham, and Montgomery. We know that that diamond is going to be just as sparkly and just as polished as it possibly can, as more than $17 million a year in projected transportation savings income become available the first year after the project is finished.

So, the benefits for our trade area in employment, the reduced transportation costs, in savings of many, many miles, to get our products from Rome, Ga., to the Port of Mobile and back, will be absolutely tremendous.

Thank you so much.

Senator COCHRAN. Thank you, Mrs. Waite, for that excellent statement and excellent testimony. We appreciate that.

Mr. Carlson?

OPERATIONS AND MAINTENANCE REQUEST

Mr. CARLSON. Mr. Chairman, in our request for operation and maintenance funds in the first phase of our statement, we ask for the full amount, which is $10.299 million, which is needed to keep the Alabama River open to navigation. We show that the administration's budget request is $3.408 million short of what is needed. We are concerned about this threat to close the Alabama River to navigation if user tax legislation is not passed.

The Alabama River now falls in the category of carrying less than 5 million tons annually. We wish to point out that even at the 2.1 million tons in 1979, the benefit-to-cost ratio of the Alabama River was 1.9 to 1. It would be foolish to close down an investment with that rate of return.

The cargo moved has steadily increased from that 2.1 figure in spite of 2 years of extended drought and low water. Extended figures are not available, but we estimate that over 2½ million tons were moved in 1981. Assuming we have normal channel depth and exceptional economic activity, 1982 will see new limestone shipments on the Alabama River that will double the 1981 totals. This will bring the Alabama River above the arbitrary 500 million ton criteria that would have the waterway filled. The Alabama River is a regional and a national asset which must continue to operate while Congress deliberates the wiseness of using charges which would contribute to the high cost of production.

Many of our statements expand on this particular aspect of our request. We are very proud of our fine supporting members from Rome, Ga. We wish Senator Mattingly could still be here. These people have to wait until the waterway is assured to Gadsden before it will go on to Rome. We have representing the Rome contingent, Mr. Joel Suzbacker. I would like to have him make a brief statement at this time.

Mr. SUZBACKER. Mr. Chairman, we see a change in policy and a reduction in Federal investment as counterproductive to the President's program of economic recovery. Such a reduction will inhibit private investment just at a time when such investment for the future is sorely needed.

The timing is also bad for reducing or eliminating current maintenance and construction expenditures. As one of our newspapers put it, the attempt to extract user tax legislation by withholding money is nothing more than a form of blackmail. We support operation and maintenance money for two existing hydroelectric programs in Georgia which are in place and highly productive.

Allatoona and Cartersville Lakes also provide magnificent recreational facilities and storage for flood control.

Another project in Georgia is the proposed Dalton Lake Reservoir. Increased water storage is sorely needed to permit industrial expansion in that area. Adding the new reservoir to the existing storage capacity would improve the dependability of navigation depths on the lower Alabama River.

Thank you.

Senator COCHRAN. Thank you very much.

Mr. CARLSON. Sir, our last member at the table here is Mr. Tom McKenzie, who is actually a district manager of the Alabama Power Co. as well as vice chairman of the chamber of commerce.

Tom, I know you are not prepared to give the full statement, but perhaps you would like to say a few words to the Senator at this time.

Mr. MCKENZIE. As you say, the statement covered in detail our support of this project. Certainly, the funds that have been spent in the past by private investment to put the dams in for hydroelectric power, that certainly went a long way toward making this project feasible. All we are asking at this time is, let's get on with the job to make it navigable to get the rest of the benefits available to the people of our area.

Thank you very much for allowing us to be here.

Senator COCHRAN. Thank you. We are glad to see that Gadsden is represented by its chamber of commerce. We appreciate your being here.

Mr. CARLSON. Sir, we realize that the time has run on this afternoon. We feel that our written statements do represent our position very well. We appreciate this very sympathetic hearing, the opportunity to meet you.

Senator Stennis was at the chair last year when we appeared. We realize now that we have even, perhaps, a fourth Senator from Alabama. We appreciate this very much. [Laughter.]

Senator COCHRAN. I will let the folks from Alabama know that when I run again. [Laughter.]

We do have all your statements. We do appreciate your being here, Mr. Carlson, and making the presentation in the manner in which you have.

Thank you very much.

[The statement follows:]

COOSA-ALABAMA RIVER IMPROVEMENT ASSOCIATION DELEGATION

1. Chris B. Heinz, President, CARI Association, Selma, AL
2. Honorable Fob James, Governor, State of Alabama, Montgomery, AL
3. Mrs. Mary George Waite, Vice Pres. AL, CARI Association, Centre, AL
4. Burgett H. Mooney, Jr., Vice Pres. Ga., CARI Association, Rome, GA
5. John C. Thomason, Director of Governmental Affairs, Ideal Basic Industries, Denver,CO
6. Harold F. Hunter, Jr., Businessman, Rome, GA
7. Jerry Dunwoody, City Commission, Rome, GA
8. Sid Willingham, Insurance and Real Estate, Rome, GA
9. Virginia Willingham, Housewife, Rome, GA
10. Joel Sulzbacher, Businessman, Rome, GA
11. Betty Sulzbacher, Housewife, Rome, GA
12. Tom Brock Jordan, Businessman, Centre, AL
13. Ellis Austin, Businessman, Wetumpka, AL
14. Beth Austin, Businesswoman, Wetumpka, AL
15. Jasper Fielding, Probate Judge, Coosa County, Rockford, AL
16. David T. Stockman, Montgomery County Administrator, Montgomery, AL
17. John Knight, Jr., County Commissioner, Montgomery, AL
18. Joel Barfoot, County Commissioner, Montgomery, AL
19. Robert H. Coleman, Radcliff Materials, Inc., Mobile, AL
20. Otha Lee Biggs, Judge of Probate, Monroe County, Monroeville, AL
21. Kenneth B. Fairly, AL River Pulp Company, Inc., Monroeville, AL
22. Herbert Stone, City Councilman, Wetumpka, AL
23. Mrs. Herbert Stone, Housewife, Wetumpka, AL
24. Hugh Williamson, Mayor, Pell City, AL
25. Forest A. Walls, Councilman, Pell City, AL
26. ~~Barnett Lawley, Councilman, Pell City, AL~~
27. ~~Paul Turner, Councilman, Pell City, AL~~
28. ~~Keith Porter, Councilman, Pell City, AL~~
29. H. E. Holladay, Circuit Judge, Thirtieth Judicial Circuit, Pell City, AL
30. Ray M. Ford, Mayor, Ragland, AL
31. Paul Manning, St. Clair County Commissioner, Ragland, AL
32. James H. McClendon, Chairman, St. Clair County Commission, Ashville, AL
33. Kenneth Chestnut, City Councilman, City of Camden,AL
34. Miller Chestnut, Student, Camden, AL
35. Roger Dreyer, Businessman, Gadsden, AL
36. Frank Shew, Businessman/Pres. Chamber of Commerce, Gadsden, AL
37. Floyd Beddingfield, Gadsden Airport Authority, Gadsden, AL

38. George Sizemore, Commissioner, City of Gadsden, AL
39. Max Smith, Banker, Gadsden, AL
40. Mrs. Max Smith, Housewife, Gadsden, AL
41. James D. Martin, Businessman, Gadsden, AL
42. Richard Martin, Student, Gadsden, AL
43. Mrs. J. T. Gordon, Businesswoman, Gadsden, AL
44. Bob Moman, AL Gas Corporation, Gadsden, AL
45. J. T. McKenzie, AL Power Company, Gadsden, AL
46. Charles Roe, Baptist Memorial Hospital, Gadsden, AL
47. Ms. Linda Vinson, Holy Name of Jesus Hospital, Gadsden, AL
48. James C. Vice, WHMA-TV, Anniston, AL
49. Ron Carr, City Planner, City of Gadsden, AL
50. Wendell Bryant, Commissioner, Etowah County Commission, Gadsden, AL
51. C. R. Carlson, Executive Vice President, CARI Association, Montgomery, AL
52. Ada W. Paravicini, Adm. Asst., CARI Association, Montgomery, AL
53. B. A. Reynolds, Selma & Dallas County Chamber of Commerce, Selma, AL
54. Don Petrocelli, Exec. Vice Pres., Gadsden Metro Chamber of Commerce, Gadsden, AL
55. Walter B. Stevenson, Jr., AL State Planning & Federal Programs Office, Montgomery, AL
56. Sheldon L. Morgan, Merchants National Bank, Mobile, AL
57. Buddy Browning, AL State Docks, Mobile, AL
58. Marrion B. Rambeau, Mobile Area Chamber of Commerce, Mobile, AL
59. Nick Barchie, Warrior & Gulf Navigation Company, Chickasaw, AL
60. Julian H. Smith, Jr., AL Power Company, Birmingham, AL
61. Kerry Newman, Republic Steel, Washington, D. C.
62. Mrs. Sue Glidewell, Mayor, Rainbow City, Alabama
63. Dick Fifield, AL Farm Bureau, Montgomery, AL
64. Melvin Taylor, Jr., Commissioner, Elmore County, Tallassee, AL
65. Melvin Curlee, Commissioner, Elmore County, Wetumpka, AL
66. Frank Akers, Talladega County Commission, Talladega, AL
67. Mrs. Frank Akers, Talladega County, Talladega, AL
68. Howard McCullars, Businessman, Gadsden, Al
69. Don Wade Hampton, Chairman, Cherokee Co. Comm., Centre, Al
70. Harold Day, Commissioner, Cherokee Co. " " "
71. ______________________________

STATEMENT OF GOV. FOB JAMES OF ALABAMA

Mr. Chairman, it is a pleasure to appear before this Committee along with other Alabamians in support of navigation of the Alabama and Coosa Rivers. The Alabama River connecting the heart of Alabama to the Gulf Port of Mobile and the Gulf Intracoastal Waterway is an integral part of the National Inland Navigation System. It provides an economical and energy wise method of transporting products and materials to and from the various regions of this Nation. It allows our farmers and our industrial base an economical method of producing the products we all need for nourishment and maintenance of a good standard of life for all our citizens.

The National inland waterway system provides a major conduit for export and import of raw materials, finished products and the food and fiber we use and sell. It assists us greatly in the balance of trade with other nations. The inland waterway system provides transportation of materials and products at the lowest cost possible to the deep ports allowing the United States to be competitive in world markets.

I join with the members of the Coosa-Alabama River Improvement Association here today in full support of the request for funding of the full-time operation and the necessary maintenance of the existing navigation system on the Alabama River. It would be short-sighted to fund less than the amounts required for full-time operation of this waterway which in its short life has proven to be cost effective. Every year additional materials and products move on this system and with the completion of the Tennessee-Tombigbee Waterway, the navigation on the Alabama River will be even more important.

The State of Alabama has expended millions of dollars in support of navigation of this system by providing the non-federal support required. However, we in Alabama have gone well beyond the minimum requirements to support a viable inland waterway system. For example, on March 2nd of this year the voters of Alabama set aside $50 million for Mobile Harbor improvements. This coupled with past action of the State is indicative of our strong support of an excellent inland waterway system including the necessary port facilities for both deep and shallow draft carriers.

I also join with the Coosa-Alabama River Improvement Association today as both Governor of Alabama and President of the Coosa Valley Development Authority in support of funding the construction of the extension of the existing navigation on the Alabama River to the vicinity of Gadsden, Alabama via the Coosa River. This extension will use existing impoundments requiring the raising of no additional water levels. It will only require locks at existing dam locations. The Coosa Valley Development Authority met recently and approved unanimous support of the Coosa River Navigation Project. The Authority has already expended approximately $7 million in preparation of navigation on the Coosa River and we stand ready to fulfill our part of this project in the future.

In closing I would point out the inland navigation system is an integral part of the national transportation system of the nation and should not be taken for granted nor should it be looked on as only a federal investment. The State of Alabama along with other States and private enterprise has invested large sums over the years and this should be recognized prior to making any major changes. The total impact to the State and the Nation must be understood. There is also an obligation on behalf of the Federal government to stand by its commitment to the State and private enterprise who entered into this partnership in good faith.

Statement of R. N. Meinert, Project General Manager, General Electric

General Electric has recently purchased a large tract of land in Lowndes County, Alabama adjoining the Alabama River. Over the next 10 years, we plan to invest $1.5 billion to develop on this site a major facility for production of engineering plastics and will have a payroll approaching $100 million by 1995. One of our prime considerations in choosing this site was the capability of the Alabama River to handle bulk shipment by barge.

The administration's proposal to eliminate operation and maintenance funding for the Alabama waterway system is of great concern to us. Dredging of the Alabama River is required routinely to maintain minimum channel depths and continued maintenance of the Claiborne, Millers Ferry and Jones Bluff locks and dams will be necessary to insure uninterrupted barge traffic on the river. In addition the hydro-power stations at Millers Ferry and Jones Bluff play an important role in providing electrical power at reasonable rates.

Elimination of the operational and maintenance funding for the Alabama River will have a serious adverse effect on the already depressed economy of this area. The Alabama river supports itself with a benefit to cost ratio of 1.9 to 1.0 and projections are for continued increase in the amount of freight moved on the river.

General Electric's operation in Lowndes County in the future will be very much dependent on the maintenance of Alabama River and General Electric's business activities in turn will contribute to the continued commercial effectiveness of an operative & well-maintained Alabama River. General Electric therefore supports the Coosa-Alabama River Improvement Association and urges your committee to support continued operational and maintenance funding for the Alabama River.

Statement of Chris B. Heinz, President, Coosa-Alabama River Improvement Association, Inc.

This statement is presented on behalf of a group of concerned citizens who constitute a true "Association" of the public and private sectors of our area. In addition to private firms and individuals we include eighteen counties and twenty-one municipalities among our members. On behalf of our total membership we appreciate the opportunity to appear before you today. In addition to the large contingent who are here in person, we bring written statements from many others. We request that these statements also be entered into the record of these proceedings.

Our request is for continued support for maintenance and extension of a partially developed natural resource which is already producing significant economic benefits now and has much greater potential for the future.

Our request for Fiscal Year 1983 appropriations includes three projects in Georgia on the headwaters of the waterway: Dalton, Allatoona and Carters Lake. At the opposite end of this extensive waterway we request Operations and Maintenance and study funds to insure that Mobile Harbor will meet the needs of the nation and our region as projected traffic develops. We request that Operations and Maintenance funds for the Alabama River include restoration of the funds withheld in the Budget Request which would close the Alabama River to navigation. Finally, we are requesting the first increment of construction money for the Coosa River Navigation Project to complete the development of the river system and fully realize its great potential. A breakdown of our request by project is presented below:

1.	Survey: Alabama River below Claiborne	$ 150,000	
2.	Pre-Authorization Study: Dalton Lake, GA	500,000	
3.	Planning & Engineering Study: Mobile Harbor	1,000,000	
4.	Construction: Jones Bluff Recreation Areas	-0-	
5.	Planning, design, land acquisition and construction: Coosa River Navigation Project	10,500,000	
6.	Operation and Maintenance (O&M)		
	Alabama-Coosa Rivers	3,920,000	
	Jones Bluff Lock and Dam	2,882,000	
	Millers Ferry Lock and Dam	3,497,000	
	Total O&M needed: Alabama River		$ 10,299,000
	Administration's FY83 Request		-6,891,000
	O&M money withheld for navigation		$ 3,408,000
	Mobile Harbor	6,027,000	
	Allatoona Lake, GA	3,647,000	
	Carters Lake, GA	2,093,000	
	Total O&M	$22,066,000	

Before going into the justification for these requests I wish to recognize that this is the first year since this Association was incorporated in 1956 that we have appeared without Dr. Robert F. Henry as a spokesman and leader of this delegation. Before he died this past year (last August) he had made twenty-five consecutive annual trips to appear before this subcommittee. You can be assured that those of us who appear today share Dr. Henry's dream for adding a fully developed Coosa-Alabama Waterway to the inventory of major economic resources of our nation.

We also wish to thank the Chairman and the distinguished subcommittee members for vigorously resisting attempts to coerce the Congress into unwise and premature passage of user tax legislation. This is not the forum for discussing user taxes but we wish to express our confidence that the Congress, through its committee and appropriations process, is fully capable of establishing its own criteria for keeping the waterways open. Money to maintain navigation on our Alabama River must be restored.

In the matter of new construction starts, the Administration has attempted to circumvent the Congressional process by proposing new construction starts only where local financing is available. In so doing a new proposed definition of Federal responsibility for waterway projects has emerged. By going direct to local agencies which might be able to raise 75% or more of the funds needed, priorities are determined by short term economic considerations characteristic of private investment decisions. We feel this subcommittee is much more concerned with the unique Federal responsibility for long range projects that states or the private sector will never be equipped to assume. We have a new construction start which you might consider the Subcommittee's own to counterbalance one of those proposed by another process.

Advanced Engineering and Design work on the Coosa River Navigation Project has progressed to the point where the Army Corps of Engineers is ready to start construction in March 1983. This is a major milestone. We are aware that this "construction readiness" date would not be possible without the $20.0 million provided by the Congress for this purpose. Our request includes $10.5 million for land acquisition and excavation and detailed design of the first of the five locks in this project. This is the amount needed to keep the Project on schedule toward a completion date of 1990.

As you are probably aware, there has been an increase of more than 100% in the cost estimate for this Project during the five years of engineering and design. Field surveys revealed more difficult engineering problems than had been anticipated and inflation took its tool here (45% of increase) as everywhere else. In view of these increases, Congressman Bevill requested an intensive reassessment of the benefits of the project to determine its economic worth. That study will not be available for several weeks. We are confident that the results will more than justify the new level of cost. We are not so certain that the portion of the economic returns which will be called Regional (rather than National) Development Benefits will be accepted as support. Our view is that the Coosa Waterway is a national and not just a regional asset.

The interviews, plant visits and other activity involved in the economic reassessment has generated an even higher level of interest and participation among our members, both public and private. Indicative of this is the recent formation of a Coosa River Development Task Force made up of elected officials in one of Alabama's regional planning commissions. Other local agencies have been active as well. The agency established in 1969 by the Alabama legislature as the local sponsor is the Coosa Valley Development Authority. The Association President, Chris B. Heinz, is a statutory member by virtue of his position. In a recent action the Authority reaffirmed the intent to participate. The Governor, Lt. Governor, and Speaker of House are members of the Authority.

Another of our active local agencies is the Coosa River Action Council. The Council helped to organize this delegation. They work as an arm of the Gadsden Metro Area Chamber of Commerce to keep the benefits of the Coosa Project up front in the minds of citizens in that area. Even though the Project will not be completed before 1990, these organizations are pledged to see that the new navigation channel is put to work.

We visualize the area to be benefited as roughly outlined by Atlanta, Chattanooga, Birmingham and Montgomery and as constituting a true diamond in the rough. That diamond will have a new sparkle and polish as more than $17 million a year in projected transportation savings become available the first year after the Project is finished. Benefits will extend to trading areas served by the intracoastal waterway and the inland waterway system which by then will be accessible through the Tennessee-Tombigbee Waterway.

As already outlined our appropriation request includes $3.408 in Operation and Maintenance money which was withheld as a threat to close the Alabama River to navigation if user tax legislation is not passed. The Alabama River now falls into the category of carrying less than 5 million tons annually. We wish to point out that even at 2.1 million tons the benefit to cost ratio of the Alabama River was 1.9 to 1.0. It would be foolish to close down an investment with that rate of return. The cargo moved has steadily increased from that 2.1 figure in 1979, in spite of two years of extended drought and low water. Official figures are not available but we estimate that 2.5 M tons were moved in 1981. Assuming that we have normal channel depths and acceptable economic activity, 1982 will see new limestone shipments on the river that will double the 1981 total. This will bring the Alabama River above the arbitrary 5 million ton criterion that would have the waterway closed. The Alabama River is a regional and a national asset which must continue to operate while the Congress deliberates on the wisdom of levying user taxes which would further contribute to the high cost of production.

State and local government officials are very concerned about the threat to close the river and the impact of what could be a heavy handed cost recovery policy. Extensive public and private investments would be seriously depreciated. These investments were triggered by the promise of low cost water transportation, and exceeded the total Federal investment many times over. Local government officals were acting in good faith in their industrial development activities, and industry responded in kind. Much good work could be undone. Plants on the verge of locating on the waterway would find another location more desirable. The two largest private single phase capital investments in Alabama, Alabama River Pulp ($285M) and Ideal Basic Industries ($298M) are designed to use the Alabama River. Another new industry on the river, the $1.5 billion General Electric industrial complex in Lowndes County, is now in the planning and permit stage. We must oppose a major shift in the ground rules for those who made such important investment decisions based on a longstanding Federal policy.

We see a change in policy and a reduction in Federal investment as counterproductive in the President's program of economic recovery. Such a reduction will inhibit private investment just at the time when more investment for the future is sorely needed. The timing is also bad for reducing - or eliminating - current maintenance and construction expenditures. As one of our newspapers put it, the attempt to extract user tax legislation by withholding O&M money "... is nothing more than a form of blackmail". (Rome News-Tribune March 7, 1982).

We support Operations and Maintenance money for two existing hydro-electric dams in Georgia which are in place and highly productive. Allatoona and Carters lakes also provide magnificant recreational facilities and storage for flood control. Another project in Georgia is the proposed multi-purpose Dalton Lake Reservoir. Increased water storage is sorely needed to permit industrial expansion in that area. Adding the new reservoir to the existing storage capacity would improve the dependability of navigation depths on the lower Alabama River.

We support funding the engineering study of the Mobile Harbor and the Operations and Maintenance funds needed to achieve the full Corps of Engineers' capability level for the port. The Mobile Harbor is more than a gateway for the regional waterways which flow into Mobile Bay. The Harbor is proving to be a national asset in the attempt to improve our balance of payments position. Mobile must be prepared to take deep draft ships as soon as possible.

The value of our inland waterway system cannot be overestimated. It is hard to understand how our nation now seems to be taking this economic resource for granted. Recently a veteran Congressional staff member said that there appears to be no demand for water projects because there have been so few of them in recent years. We maintain there is a demand and the demand is based on both recent events and experience from the past. When saving energy became urgent our nation looked to the waterways. When a world food shortage demanded export grain, the waterways improved the return to our farmers. When the overseas coal market required huge shipments to our ports, again we looked to the waterways.

In closing, we come to you with head held high. We are proud to be representing the citizens in our region with a waterway that is demonstrating future potential through its contribution today. We are convinced that funds appropriated as we have outlined will be considered a wise and prudent investment ten and twenty years from now, and that the Congress will be praised for its vision and farsighted wisdom. It is time to start building again.

STATEMENT OF JUDGE OTHA LEE BIGGS, PRESIDENT, MONROE COUNTY (ALA.) COMMISSION

The Monroe County Commission of Monroe County, Alabama, supports the continued development of the Coosa-Alabama Rivers Navigation program and respectfully requests that your Subcommittee give favorable consideration to the Budget needs for this project for FY 1983 as submitted by the U. S. Corps of Engineers to your Subcommittee.

The full economic impact of this most important River Project will not be felt until both Rivers are made navigable from Rome, Georgia to Mobile, Alabama. Tonnage on this waterway system is increasing every year and industry is locating along this Coosa-Alabama Rivers system to utilize the navigation these Rivers provide.

In Monroe County, Alabama, alone, we have two major industries located on the Alabama River, the Alabama River Pulp Company and Ideal Basics, Inc., both companies utilizing this river system to barge its goods to Mobile. Also, located on this River is the Claiborne State Docks facility which barges tons of grain produced by the farmers in this area of Alabama to the docks at Mobile.

We feel that a continued investment in this waterway system is an investment in the future economic stength of our nation and will help solve a growing high unemployment rate in this area of Alabama by putting people to work.

Letter From Shelton Prince, Jr., President and Publisher, Selma (Ala.) Times-Journal

March 29, 1982

Honorable Mark Hatfield, Chairman
Sub-Committee on Appropriations for
Energy and Water Development
United States Senate
Washington, D.C. 20510

Dear Senator Hatfield:

The purpose of this letter is to urge your sub-committee's support of the Coosa River Navigation project.

In my opinion, a navigable waterway from north Alabama to the port of Mobile must be realized before the state of Alabama and this region of the country can fully reach its potential.

The design of this project is ready to begin in March, 1983 and funds for the construction of this project are desperately needed.

The city of Selma, Alabama is located on the Alabama River. The Alabama River is already navigable from Montgomery to Mobile giving this area of the state access to a deep water port. I recognize however that we must develop the Coosa River as a navigable waterway in order for the full opportunities afforded this region of the country can be realized.

As a director of the Coosa-Alabama River Improvement Association, I strongly solicit your support and the support of your sub-committee for this very worthwhile project.

Sincerely,

Shelton Prince

Statement of James A. Pierce, Director of Transportation, Mississippi Chemical Corp.

Mississippi Chemical Corporation strongly supports the Coosa-Alabama River Improvement Association and wishes to join with them in a collective effort to obtain continued funding for maintenance and improvement of the Coosa-Alabama Rivers.

Mississippi Chemical Corporation is a manufacturer and shipper of chemical fertilizers. The company was formed in the late 1940's for the specific purpose of providing year-round quality fertilizers at the lowest possible cost to southern farmers. Mississippi Chemical is a corporation which is owned by approximately 20,000 farmers, to whom it is the major supplier of their fertilizer needs.

To preserve the concept of supplying fertilizers at the lowest possible cost, it is recognized that transportation costs contribute a substantial portion to the total cost of the product. In order to hold down these costs, water transportation, which is recognized for its ability to move large quantities in an efficient manner and at a lower cost than other modes, is used in the delivery of fertilizers whenever possible.

During the past years, it has been necessary to establish more and more storage/distribution centers in order to adequately serve the company's growing number of stockholder/farmer/customers. Presently, there are over thirty-five such facilities, with the majority being located on water in order to make use of lower barge freight rates. One such facility served by barge is presently operated on the Alabama River at Montgomery.

The storage/distribution facility at Montgomery was established in 1973 with a capacity of 22,000 tons of dry, bulk mixed fertilizers. Annual shipments to Montgomery range from 30,000 tons to 45,000 tons, depending on river conditions and available navigation drafts.

Mississippi Chemical does not own barges or towboats. To effect deliveries to Montgomery, four barges are rented on a daily basis and a towboat hired for the round trip. The average cost by this method is approximately $5.00 per ton cheaper than the current rail rate to Montgomery. Of course, with a year-round nine-foot navigable channel, the spread in cost would be even more advantageous to barge as a larger tonnage could be carried per trip.

As the Alabama River is a vital element in Mississippi Chemical's ability to serve farmers of the area through the Montgomery facility, its continued maintenance and improvement is critical. Your support and efforts in obtaining necessary funding is earnestly solicited.

RESOLUTION OF ST. CLAIR COUNTY (ALA.) COMMISSION

WHEREAS, an efficient, economic waterway system is part of the solution for a sick economy, and would have a double effect on current employment as well as future benefits to Alabama and the nation; and

WHEREAS, we have confidence that the Corps of Engineers has a good design for the Coosa Project even though the estimated cost of the project has gone up since 1977; and

NOW THEREFORE BE IT RESOLVED, that the St. Clair County Commission go on record in support of Coosa-Alabama River Improvement Association testimony in Congressional Hearings to be held in Washington, D. C., March 29, 1982.

FURTHER, that copies of said Resolution be spread upon the Minutes of the Commission; and that the following individuals receive copies of same:

Honorable Tom Bevill, Chairman
House Subcommittee on Appropriations
for Energy & Water Development
House of Representatives
Washington, D. C. 20515

Honorable Mark Hatfield, Chairman
Subcommittee on Appropriations for
Energy & Water Development
United States Senate
Washington, D. C. 20510

Adopted this 23 day of February, 1982, at a regular meeting of the St. Clair County Commission held in Pell City, Alabama.

ST. CLAIR COUNTY COMMISSION

James H McClendon
Paul Manning
Bill Franklin

Statement of B. H. Mooney, Jr., Publisher, Rome (Ga.) News-Tribune

Our newspaper has recognized for many years the vast potential that lies within the scope of the Coosa-Alabama River System. Completion of the system will directly enhance the economic well-being of countless thousands of citizens.

Your Sub-Committee has looked with favor upon this program in the past and all of us closely involved are grateful. We know that you are also aware that completion of the program as rapidly as possible is in the best interest of both the government and the people.

We specifically ask that you fund the construction money for the locks on the Coosa River portion of the Coosa-Alabama waterway. Also maintenance and operation monies for Alabama River, Allatoona, Carter's Lake, Claiborne, Jones Bluff and Millers Ferry dams and locks, and improving the Mobile Harbor.

We earnestly solicit your continued support and urge that favorable consideration to be given to the total Fiscal Year 1983 request.

Letter From Henry A. Leslie, President, Union Bank & Trust Co., Montgomery, Ala.

March 29, 1982

The Honorable Mark Hatfield
Chairman
Subcommittee on Appropriations for
Energy & Water Development
United States Senate
Washington, D. C. 20510

Dear Senator Hatfield:

I am writing this letter on behalf of the Coosa-Alabama River Improvement Association, Inc. in support of its effort to obtain financing for the Coosa River Navigation Project as well as maintenance of locks and dams and hydro-power stations on the Alabama River. Incidentally, one of my close friends, Dr. Robert F. Henry, died during the last year and I hope that Congress will rename the Jones Bluff Lock and Dam as Robert F. Henry Lock and Dam in honor of this man who gave so much of his time and effort to the development of Alabama's navigable waters.

While budgetary considerations, of course, are important to Congress, I believe that continued emphasis on low cost water transportation to conserve energy and benefit the economy are still quite in order. Alabama and the Southeast can be of great benefit to the nation through our mineral resources but many of these have to be transported over our navigable waters due to the great weight of such resources. Also, in order to develope our minerals and other resources, low cost hydro-electric power is important and much of this can be realized through the dams on our navigable waters.

I did want to convey to you my personal view that the efforts and legislation of the Coosa-Alabama River Improvement Association are important to the nation and I hope you and your Committee will give favorable consideration to this legislation.

Sincerely yours,

Henry A Leslie

Henry A. Leslie
President

STATEMENT OF JAMES W. CURTIS, EXECUTIVE DIRECTOR, EAST ALABAMA REGIONAL PLANNING AND DEVELOPMENT COMMISSION

The Coosa River forms a portion of the western boundary of the East Alabama Regional Planning and Development Commission area, and flows through five of the ten counties which comprise the region. The Board of Directors of our Commission is highly interested in the potential economic gains which could accrue to this area with development of the river for navigation. As evidence of this intense interest, the East Alabama Commission and its sister agency, the Birmingham Regional Planning Commission, are forming a joint task force from both regions. This active task force, composed of local elected officials, will assist the State of Alabama and the Coosa-Alabama River Improvement Association, Inc. in their efforts to promote the Coosa River navigation project.

The East Alabama Commission feels that the completion of the navigation project on the Coosa River from Montgomery to Gadsden is extremely important in regards to economic development, industrial recruitment, and job creation within our region. In a series of meetings between the Corps of Engineers, State representatives, the Corps' consultants and local government and industry leaders, in January and February, 1982 the need for the navigation project was brought home. All the local government and industry leaders strongly supported the navigation project. Quality Overhaul Company and Clow Incorporated in Lincoln, Goodyear Tire and Rubber Company and Republic Steel in Gadsden expressed the wish that the Coosa River was navigable at this time.

Without additional Congressional appropriations, navigation of the Coosa River from Montgomery to Gadsden will never be a reality. Many opportunities for further development in this region of the State, and in this area of the country, would be lost.

We urge you and your colleagues in Congress to continue this essential effort by appropriating the needed Federal funds for development of the Coosa River for navigation. I am enclosing a copy of the resolution which was unanimously passed by the East Alabama Commission's Board of Directors on February 24, 1982. The resolution endorses and supports the Coosa River navigation project.

Resolution No. 227

WHEREAS, the development of the Coosa River for navigation from Montgomery to Gadsden will respond to existing transportation needs of industries within the East Alabama Region,

WHEREAS, the availability of barge transportation for raw material and manufactured goods will have a strong economic stimulus for the region, and

WHEREAS, the impact of river navigation on regional economic activity will create new and expanded job opportunities,

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of the East Alabama Regional Planning and Development Commission, consisting of the chief elected officials of the fifty-seven municipalities and ten county governments forming the region, strongly supports implementation of the Coosa River Navigation Project, advocates inclusion of regional development benefits in the consideration of project feasibility, and encourages Congress to appropriate funding to proceed with engineering and construction.

BE IT FURTHER RESOLVED, that the Chairman be directed to transmit this resolution to our Congressional delegation and to solicit their support and advocacy for the Coosa River Navigation Project.

Adopted this 24th day of February, 1982.

Jack Whatley
Honorable Jack Whatley, Mayor of Lineville
Chairman

ATTEST:

James W. Curtis

Statement of Hugh H. Knox, Supervisor, Fiber Transportation, International Paper Co.

International Paper Company, as a corporate citizen, sustaining member of the Coosa-Alabama River Improvement Association, Inc. and a longtime user of the Coosa-Alabama Waterway, is vitally concerned and interested in the continued use and development of subject waterway.

Over the years, we have depended upon waterborne transportation for a significant portion of the fiber (pulpwood and wood chips) for use in the manufacture of paper and related products at two of our largest primary mills; one in Mobile, Alabama and the other in Moss Point, Mississippi. In the past five years, we have invested some $5 million to update and enlarge our owned tug and barge fleet. Modernization plans to keep these two mills competitive, involving hundreds of millions of dollars are now under study. The future of both these large manufacturing facilities could well depend on the position the federal government takes toward assuming that the inland waterways will continue to be maintained and expanded.

We not only need a withdrawal from the current cutback, reduce, close and tax proposals; we need a firm commitment from the executive and congressional branches of the federal government that our inland waterways are a vital part of our nation's present and future transportation system and will continue to be maintained, expanded and funded, as such.

In the specific case of the Coosa-Alabama, we find it inconscient to consider closing a waterway that has just begun to bloom based on an arbitrary current tonnage figure of 5 million tons. The completed portion of this waterway alone showed a favorable 1.9 to 1.0 cost benefit ratio in 1979 on some 2 million tons. Tonnage has continued to increase and, with the expected upturn in the economy, stands to dramatically increase over the next few years. Ideal Basic alone with plant and equipment in place stands to add several million tons. A new G. E. complex in the $1.5 billion range has recently been announced as locating on this waterway.

We join in support of, wholeheartedly endorse, and highly recommend to you and the members of the Subcommittee on Appropriations for Energy and Water Development the testimony presented to you through the Coosa-Alabama River Improvement Association, Inc.

STATEMENT OF MRS. MARY GEORGE JORDAN WAITE, CHAIRMAN AND PRESIDENT, FARMERS & MERCHANTS BANK, CENTRE, ALA.

I am asking that you continue to support the Coosa-Alabama River Improvement project along with many other people in Alabama.

We continue to ask for construction money to start the Coosa River Navigation Project; and we desperately need to improve the Mobile Harbor.

Alabama and the nation have a very high rate of unemployment, and work on these projects has a double effect which would help raise employment and the benefits for the future would be great. Also, while the estimated cost of the Coosa Project have just about doubled since 1977, inflation also raises the dollar value of the benefits. I feel that an efficient, economic waterway system is part of the solution for a sick economy. This is the time for investment in the future economic strength of our nation.

I know how hard you are working on all of this, and we appreciate everything you have done and will continue to do.

STATEMENT OF MACK McWHORTER, CHAIRMAN, MONTGOMERY COUNTY (ALA.) COMMISSION

The Montgomery County Commission continues to closely follow the development of the Coosa-Alabama River project which was originally authorized by the Congress in 1945. We believe that the benefits which accrue to the citizens of this region and to the nation fully justify the complete construction and operation of this economical waterway.

We need to continue the development of this project in order to maximize the benefits of the investment already made and to proceed toward achieving the full potential of the waterway system.

We fully support the testimony provided by the Coosa-Alabama River Improvement Association. For many years this group has represented us and they accurately reflect our feelings of support for this waterway project.

Of particular interest to us is the appropriation to begin construction of the Coosa River Navigation Project. This project has been fully planned and has a proposed starting date of March 1983. We feel that construction should begin on time to ensure the viability of the overall system.

Also, we feel that the requested appropriation for operation and maintenance of the Alabama River and the locks and dams at Claiborne, Millers Ferry and Jones Bluff are essential.

We urge your favorable consideration of the recommended appropriations. Adequate funding as requested is necessary to ensure that progress is made for further development of the system and to properly operate and maintain the existing portion. Similar information has been sent to Hon. Tom Bevill, Chairman, House Subcommittee on Appropriations for Energy & Water Development, regarding this matter.

STATEMENT OF L. REGINALD MINTER, MAYOR, MILLBROOK, ALA.

We have received notification of Congressional Hearings to make the final funding decisions for our waterways on Monday, March 29, 1982.

We firmly support the Coosa-Alabama River Improvement Association testimony and strongly feel that Alabama and the nation have high unemployment. Work on these projects has a double effect: current employment and future benefits; further, the Alabama River is paying for itself. According to figures, in 1979 it showed a Benefit to Cost Ratio of 1.9 to 1.0 with just over 2 million tons moved.

In my considered opinion, an efficient, economic waterway system is part of the solution for a sick economy. This is the time for investment in the future economic strength of our nation and we trust that you will give your full support to the Coosa-Alabama River Improvement Association.

STATEMENT OF GEORGE F. ALFORD, JR., EXECUTIVE DIRECTOR, ALABAMA TOMBIGBEE REGIONAL COMMISSION

I regret that I am unable to appear in person today before this distinguished committee. However, I appreciate the opportunity of submitting a statement for the record in behalf of the Coosa River Navigation Project.

I represent a multi-county planning and development commission in southwest Alabama. Its members include 10 counties and 46 municipalities, and a population of some 225,600 residents of which 50 percent are Blacks. Our per capita income in 1974 ranged from a low of $2,000 to a high of $2,900, considerably below the state average of $3,624. Our per family income in 1975 ranged from $3,917 to $6,028. Our communities are small, with all but one under 7,000. Our manufacturing employment is concentrated in apparel and wood using industries, with small pockets of chemicals and other industries.

The principal reason for construction of this project is to afford an opportunity for improvement of the shipment of goods, both raw materials and finished products by water, thus decreasing transportation costs, and also decreasing the use of scarce fuel resources. It is our understanding that the design for this project is already complete with a proposed starting date of March 1983. The only thing preventing this is the lack of construction funds needed to be appropriated by Congress.

Our state and nation are suffering from unprecidented unemployment rates. The Alabama-Tombigbee Regional Commission's region alone has an unemployment rate of 17.1 percent. Jobs are direly needed in our region, Mr. Chairman, such as the ones supplied by projects of this type. This project can provide us the necessary jobs that are needed now, while at the same time insure us of future benefits to this area. An efficent, economic waterway system is part of the solution for a sick economy. This is the time for Congress to invest in the future economic strength of our nation. In order to do this, our Commission believes that the necessary funds for this project should be appropriated. Any plans for construction should include the operation and maintenance of the Alabama River, including the locks and dams at Claiborne, Millers Ferry and Jones Bluff. In addition, consideration should also be given to the operation and maintenance of the hydro-power stations on the Alabama River at Millers Ferry and Jones Bluff.

Support for this project by this Subcommittee is needed. We at Alabama-Tombigbee Regional Commission have already recognized the necessity of this project. It is now time for Congress to do the same. The potential this project offers our region is tremendous. We urge that all efforts to construct this project be made.

STATEMENT OF W. FORREST KILLOUGH, PROBATE JUDGE, AND CHAIRMAN, TALLADEGA COUNTY (ALA.) COMMISSION

There is no way that I can adequately express how earnest the desire is of the people of Talladega County for completion of the Coosa River Navigation Project or how strongly the County Commission supports this feeling. As you know, during the past year Alabama achieved the distinction of having an unemployment rate second only to Michigan in the entire United States. Within Alabama, Talladega County reached the unemployment level of third among sixty-seven counties within the State. While benefits accrued as a result of completion of the project would initially be regional, there is no doubt that the entire nation will benefit in the long run.

With or without development of the Coosa River into a navigable waterway, this area will, within twenty years, develop industrially and agriculturally to a degree not dreamed of just a few years ago. The capability of this nation to export our agricultural and industrial products and achieve a favorable balance of trade with the rest of the world is the key to the survival of the United States as a first-class member of the world community. If we fail to provide for an adequate transportation and marketing capability now, we may not be able to compete in the years to come.

Your consideration of the needs of Talladega County among the greater needs of the people of the nation as a whole is greatly appreciated.

STATEMENT OF FRANK SHEW, PRESIDENT, GREATER GADSDEN (ALA.) CHAMBER OF COMMERCE

The Greater Gadsden Chamber of Commerce and the Coosa River Action Council, Inc. of Etowah County continue to support construction of the Coosa River Navigation Project.

The design for this project has been completed and the speculative start date of March 1983 is encouragement to 600 business and industrial members of the Greater Gadsden Chamber of Commerce.

The Coosa River Navigation Project is a part of the Alabama Coosa River Project which was organized in 1945. Work on the Alabama portion of the entire waterway is essentially complete with navigation open as far as Montgomery. The directed restudy of the economics of the Coosa portion of the project was completed by the Mobile District engineer in January 1977. The study concludes the total benefits exceed total costs and construction is warranted and planning for construction should be continued. While the estimated cost of the Coosa Project has gone up since 1977, inflation also raised the dollar value of the benefits.

The Alabama River is paying for itself. In 1979 it showed a benefit to cost ratio of 1.9 to 1.0 with just over 2 million tons moved. We are moving more tonage each year with good promises of doubling the freight moved in 1982. An efficient, economic waterway system is part of the solution for a sick economy. This is the time for investment in the future economic strength of our nation. Since the unemployment rate in Alabama has reached record-breaking high level's, work on this project has a double affect; current employment and future benefits that not only effect the people in the Great State of Alabama but our nation as a whole.

We have endured setbacks and time delays, yet our people come back each time with more enthusiasm and determination to see this most worthy project completed. The Coosa River Project is feasible. . . . . the dams are already there. . . and a developed Coosa River System would bring a tremendous amount of economic growth and stability to our area.

Gadsden and Etowah County need a navigatible Coosa River System. The City of Gadsden governing body, the Etowah County Commission, and the Greater Gadsden Chamber of Commerce would like to thank you for your consideration and leadership in helping us develop the economic potential and quality of life of our community.

We encourage your support and approval of this project.

STATEMENT OF GOODWIN L. MYRICK, PRESIDENT, ALABAMA FARM BUREAU FEDERATION

The Alabama Farm Bureau Federation, representing nearly 240,000 Alabama families, would like to take the opportunity to officially renew our unequovical support for the fullest development possible of the water resources of the state consistent with sound economic and conservation principles. The potential for the development of the agricultural industries of Alabama is grossly underestimated in any program which evaluates the economic impact of agricultural use of the state's waterways.

The best illustration of this is the rapid increase in wheat production, all of which has occured since construction on the Tennessee-Tombigbee Waterway was begun. Acreage harvested for grain has increased from less than 200,000 acres to over 1,000,000, an increase of over 28 million bushels. Similar increases in soybean production adjacent to the Warrior, Tombigbee, the Coosa and the Alabama Rivers occured previously.

It is anticipated that as producers in the region seek rotation crops and increase the practices of double cropping wheat, rough grains, forage and sorghums, the grains available for transport via water will increase even more dramatically. This will increase agricultural use of the river systems both in downstream movement of grains but the upstream movement of bulk fertilizers, fuels and chemicals.

In addition to the increase in cropping there exists the real possibility for the rapid expansion of cattle, hogs and poultry adjacent to the rivers. Increased local production of grains coupled with the ready access to Midwest feed sources offers the producers the opportunity to optimize the use of cool weather winter forage in the production of beef cattle. Major packing houses have already indicated interest in the region. None of these factors has been adequately considered or calculated into the agricultural equation estimating cost benefit ratios for river system development.

The timber, wood products and paper industries represent another area of underestimated potential for growth in agricultural utilization of the Alabama waterway system. Shifts from the Northwest to Southeastern production regions will result in a more systematic utilization of Alabama forest resources. Sixty-nine percent of the land area of Alabama is forest, 75% of which is in private non-industrial ownership. The greatest portion of this resource is adjacent to the waterway system.

In conclusion, the farmers and forest owners of Alabama represent a major current and potential user of the inland waterway system which has been grossly underestimated. Full potential for the future agricultural development of Alabama rests upon the vision of the decision makers of today. Curtailment of the systematic development of this system now would cost this nation untold dollars in undeveloped potential raw material production. It is a well known fact that each dollar's worth of agricultural production will turn five to seven times in local and export markets. This development occuring in proximity to the river systems of Alabama will enhance the economies of the state's most underdeveloped and impoverished regions.

Thank you for your past support of this vital transportation system.

STATEMENT OF A. F. WHITMAN, EXECUTIVE VICE PRESIDENT, SYLACAUGA, ALA., CHAMBER OF COMMERCE

Completion of the Coosa River Navigation Project is very important, not only to Georgia and Alabama but to the entire United States.

Providing a low-cost shipment of American-made products for export through the Port of Mobile will be a big help to the balance of payments for the United States. And the additional power plants in Alabama and Georgia will make our country less vulnerable to foreign oil imports.

Since Alabama has one of the highest unemployment rates in the country, any project which would help provide employment should be the type of project which the Congress of the United States supports. This is not a welfare project but one to increase shipping at low cost and the generation of hydro-electric power. But with this two-way benefit will come additional employment, so that we have alleviated economic distress without a welfare handout.

We urge your continued support of the Coosa River Navigation Project.

STATEMENT OF GARY A. GREENOUGH, MAYOR, MOBILE, ALA.

The City of Mobile strongly urges favorable action concerning the funding of the COOSA River Improvement Project. This project directly affects and is vital to the development of Mobile's Harbor and the City itself. In addition, this project contributes to the economic and cultural growth of the State of Alabama and many counties and municipalities along the River. All political jurisdictions involved would seriously be affected by a slowdown in the development of the waterway at a time when economic stability is a major goal.

The COOSA River Improvement Project is specifically beneficial to the City of Mobile in the improvement of its port facilities. The Mobile District of the Corps of Engineers has recommended Mobile's Ship Channel be increased from 40 to 55 feet in preparation for the completion of the COOSA Project. Also, the Governor of Alabama has initiated a $75,000,000 improvement program for the State Docks along Mobile's Port. Obviously, the economic future of Mobile is closely aligned with the development of the COOSA River Project.

Perhaps the most significant aspect of the COOSA Alabama River Project is the jobs which are created by the projects. As you know, unemployment in Alabama is currently in excess of 12%, which is among the highest in the entire nation. The Waterway Project will not only provide construction jobs but also holds the promise of many new permanent jobs when the waterway is operational. The City of Mobile desperately needs this employment opportunity for its citizens; I strongly urge favorable consideration of the appropriations for this project.

Thank you for your assistance.

Statement of Jack E. Ravan, Director, Alabama Department of Energy

As Alabama's Director of the Department of Energy, I wish to endorse the efforts of the Coosa-Alabama River Improvement Association to maintain and further develop one of the principal waterways of our State.

We are very concerned about the Administration's proposal to hold back Operations and Maintenance funds unless the Congress authorizes user fees in Fiscal Year 1983. We urge you to reinstate the $3 million needed to maintain navigation on the Alabama River. New facilities are in place to double the tonnage moved on this river, a project which had reached a 1.9 to 1.0 Benefit to Cost ratio at a much lower tonnage figure. Moving bulk cargo efficiently on the waterways is a key element in our national energy program.

I strongly support extension of the navigation channel from Montgomery to Gadsden. Starting construction of the Coosa River Navigation Project on schedule in Fiscal Year 1983 will bring us closer to the goal of providing water transportation to one of our key industrial centers. The benefits from this project will extend far beyond the confines of this State.

Mr. Chairman, we are confident that the foresight shown by the members of Congress in developing our valuable inland waterway system will continue, and the means will be provided to further invest in our future.

Statement of Sid Willingham, Rome, Ga.

As I have over the last 15 or 20 years, plan to be in Washington for the Appropriations Hearings on March 29 and hope to see you on that date.

As a strong supporter for the Coosa-Alabama River Improvement Association, Inc., I urgently request your support for monies to start the construction of the Coosa River Navigation Project and Operation and Maintenance of the Alabama River including locks and dams at Claiborne, Millers Ferry and Jones Bluff as well as Operation and Maintenance of the upstream reservoirs and hydro-power plants at Allatoona and Carters Lake in Georgia.

The government has gone too far not to complete this waterway from Mobile, Alabama to Rome, Georgia and I feel with many others, that an efficient, economic water system is part of the solution for a sick economy and trust that President Regan will recall what he said in 1980 to Mr. Kucera, president of American Water Ways Operations, Inc. which was "... we are dedicated to building an inland transportation system which will be second to none--a system which will be a key to the economic revitalization of the country while protecting the environment and encouraging multiple use of our water resoutces."

Your help and consideration will be appreciated.

Statement of Lloyd L. Summer, Jr., President, National City Bank of Rome, Georgia

We have already a substantial investment in the Alabama Coosa River Project, and I should like to request again that your committee recognize the vital need our growing section of the Sunbelt has in this project.

The area of Alabama and Georgia served by the Coosa River thrives in industry and agriculture, which would be greatly stimulated by the development of the Coosa. I urge you and your committee's approval of this most important project which is well within the Corps of Engineers appropriations for fiscal year 1983. I would also like to request your support for the following projects:

1. Surveys - Deepening Mobile Harbor and the development of multi-purpose dam at Dalton Lake, Georgia.
2. Advance Engineering and Design - Coosa River Navigation Project. The money for this project is needed to stay on schedule for the start of construction in 1983. This project is a substantial investment in the future prosperity of Alabama, the Region and the Nation.
3. Operation and Maintenance - Alabama River, Allatoona Lake and Carters Lake, hydro-power plants in the Jones Bluff and Millers Ferry locks, dams and power plants.

Thank you for your consideration of these projects.

STATEMENT OF JAMES N. MULVANEY, GENERAL MANAGER, BEKAERT STEEL WIRE CORP.

Our Rome, Georgia Plant is one of a very few domestic manufacturing sites making high strength steel wire for the tire industry and high pressure hose industry.

In ten years we have increased our employment in Rome from 25 to 700 today. Recent plant closings in the Rome/Floyd County, Georgia area have severely depressed the industrial base in the area.

We are a material intensive business using thousands of tons of steel rod which must be brought into Rome via truck and rail.

As Rome is located on the Coosa river the opportunity to lower our costs by using barge transport as a means of shipment would have an extremely positive impact on our ability to maintain our competitive position and to continue our employment growth.

We support the testimony of the Coosa Alabama River Improvement Association as to the positive effects on the regions economy in general and on our business specifically.

We urge your Sub-Committee on Appropriations for Energy and Water Development to keep the Coosa River Navigation Project and the associated projects as viable programs.

STATEMENT OF HUGH H. WILLIAMSON, MAYOR, PELL CITY, ALA.

The City of Pell City, Alabama, respectfully asks that you give favorable consideration to the testimony of the Coosa-Alabama River Improvement Association with regard to development of waterways within the State of Alabama and waterways that effect our state.

Pell City and St. Clair County are vitally concerned with the development of the Coosa River system and navigation of the river. We have supported the development of the river to this stage and appropriation of the money for construction of the project continues to be our goal. It is of utmost importance in this time of high unemployment in our county and state. During January, unemployment rate in St. Clair County reached over 13%. Work on the locks at Logan Martin Dam and Henry Neely Dam would ease the current employment problems and would help provide future benefit to our county.

Funds for operation and maintenance of the upstream reservoirs and hydropower plants, of the Alabama River including the locks and dams at Claiborne Millers Ferry and Jones Bluff are essential and improving the Mobile Harbor is very important.

An efficient, economic waterway system is part of the solution for economic problems and this is the time for investment in the future economic strength of our nation.

We appreciate your interest in our area and its development and we urge your continued assistance in the support of this project.

STATEMENT OF B. A. REYNOLDS, DIRECTOR OF GOVERNMENTAL AFFAIRS AND COMMUNITY RELATIONS, DISCO ALUMINUM PRODUCTS CO., INC.

The delegation from the Coosa-Alabama River Improvement Association is scheduled to meet before the Senate Subcommittee on Appropriations on Monday, March 29, 1982. We respectively request that you and your committee approve the amount of money requested by the Coosa-Alabama River Improvement Association when they appear before you on this date. These amounts have been carefully studied and approved by the Corp of Engineers in Mobile.

At this particular time we need to have the money to start the Coosa River Navigation project. The design is ready for a starting date of March 1983, and of course, there is continuous need for the operation and maintenance of the locks and dams at Claiborne, Millers Ferry and Jones Bluff.

As I am sure all of you know, the hydro-power stations located at Millers Ferry and Jones Bluff have more than paid their way of returning good money for the amount invested in these two power stations. We are all aware of the high unemployment all over the country and particularly it is very high in Alabama. Work on these projects would have a double effect, it would be a current employment and have future benefit for the entire United States.

The Alabama River is paying for itself in that at the present time there is a benefit to cost ratio of 1.9 to 1.0, just over two million tons moved and we are moving more tonnage each year with good promise of doubling the freight moved in 1982.

As you know, these projects are an investment in the future prosperity of Alabama and the entire nation. Hydro-power and barge transportation are each vitally important during an energy crisis such as we are having now. Barge transportation requires less fuel and less labor than other means of transportation. An efficient, economic waterway system is part of the solution for a sick economy. This is the time for investment in the future economic strength of our nation.

STATEMENT OF CARL A. TORBERT, JR., PRESIDENT, RADCLIFF MATERIALS, INC.

We respectfully request your consideration and approval of the following projects on the Coosa-Alabama River System for fiscal year 1983:

1) Coosa River Navigation Project.
2) Operation & maintenance - Claiborne Lock & Dam.
3) Operation & maintenance - Millers Ferry Lock & Dam.
4) Operation & maintenance - Jones Bluff Lock & Dam.
5) Operation & maintenance - reservoirs & hydro-electric stations.
6) Operation, maintenance, improvements & deepening - Mobile Harbor.

We support the testimony of the Coosa-Alabama Improvement Association and we join in the efforts of its membership to maintain and extend the waterway to make the benefits of low cost, energy efficient water transportation available to a broader economic base.

Radcliff Materials, Inc. is one of the leading producers of construction raw materials and aggregates on the Gulf Coast. We rely extensively on the waterways of Alabama, Florida, Louisiana, Mississippi and Texas for production and delivery of our products. In 1981 we produced and moved via Alabama waterways over one million tons of gravel. We also transported over 500,000 tons of limestone and significant quantities of sand, rock, coal and other products. Our projections for 1982 are:

Gravel	1,200,000 tons
Limestone	3,000,000 tons
Sand & Clay	500,000 tons
Miscellaneous	100,000 tons

Radcliff Materials, Inc., operates a fleet of 26 boats, 105 barges and 9 dredges. We maintain a large terminal and handling facility on McDuffie Island in Mobile, Alabama, in addition to numerous support facilities throughout South Alabama and the Gulf Coast. We have just completed a $16 million building program of new boats and barges for use in our marine operations.

The maintenance of authorized project dimensions is essential for the efficient, orderly production, and delivery of materials throughout the waterway system. Drought conditions in 1981 resulted in record low flows on the Alabama River. Fortunately, through the efforts of the Army Corps of Engineers and their maintenance dredging program, the cooperation of users and operators on the Alabama River and a lot of luck, navigation was maintained throughout the year even though draft restrictions limited tow capacities to 60% of normal. This condition emphasizes the need for the Corps to have the capability of overcoming extreme conditions in meeting its assigned task of operating and maintaining an efficient, orderly waterway system. In order to provide this capability, it is imperative not only that the Army Corps of Engineers be provided with the appropriations as per their budget requests, but also with the additional funds required to insure the Corps has the flexibility and capability to fully realize the potential of the Coosa-Alabama River System and the Port of Mobile.

We sincerely appreciate the committee's faith in the future of the great waterway systems of the State of Alabama and welcome its continued support of these vital projects.

STATEMENT OF JOHN C. THOMASON, DIRECTOR, GOVERNMENTAL AFFAIRS, IDEAL BASIC INDUSTRIES

This statement is offered pursuant to Appropriations subcommittee hearings for Fiscal Year 1983 and, more specifically, in support of continued operations and maintenance (O&M) funding of the Coosa-Alabama river system for which testimony will be received on or about March 29. As approximately one-third of Ideal's one billion dollar asset base is invested in two recently completed Alabama projects linked by this waterway, and because we understand that the Administration is proposing to withhold O&M funds for certain inland waterways to coerce the Congress into early passage of a high-level waterways user tax, our interest in the deliberations of your subcommittee is unmistakenly great.

In background to our submission, Ideal Basic Industries in 1981 commenced operations of a $284 million, 1,500,000 ton-per-year, cement plant located in the Theodore Industrial Park (on the inland route of the Theodore ship channel, Mobile Harbor, some 12 miles south of Mobile) and a $29 million supportive limestone quarry in Monroe County (Marshall's Bluff, Mile 54, the Alabama River). The water link between our quarry and plant encompasses 114 miles and includes segments of the Alabama and Mobile Rivers and Mobile Bay, approximately as follows: Alabama River, 53 miles; Mobile River, 45 miles; and, Mobile Bay, 16 miles. Some 3,000,000 annual tons of limestone will be required in the operation of our Theodore plant and, when these facilities reach designed capacity, this tonnage will more than double previously prevailing traffic on the lower Alabama River.

These very major investments were undertaken by Ideal in good faith and with the belief that the Federal government's nearly two century old policy of providing for a toll free inland waterway system would continue unchanged in the future. We were somewhat disturbed in 1978 when a low-level waterways fuel tax was instituted although the impact of this on the economic viability of Ideal's Alabama venture was modest and, at the time, appeared to resolve the user charge issue until at least 1985. And, yet, we are now informed that the Administration and the Congress are considering dramatically increased user fees, in several differing but full cost recovery versions, as the alternative to future federal funding of the inland waterways system.

While we generally support the President in his goal of budget reform, we must oppose any sudden and drastically altered Federal policy which would threaten the economic feasibility of transporting large volume, low value commodities by water. High-level user fees, if enacted, could seriously erode the value-added by barge transportation theory which, for years, has been a major force in industrial development. Ideal's Alabama operations offer a good case in point.

On the average, almost two tons of limestone, clay and other relatively low value raw materials must be assembled to manufacture a single ton of cement. Substantial, economically recoverable deposits of such resources are increasingly found at great distances from major cement-consuming markets and their real value as a process material is not realized until these products are transported to the point of manufacture.

In example, the limestone reserves underlying Ideal's Monroe County property might customarily be valued at a mere 10 to 15 cents per ton. When the overburden is removed and the limestone quarried and stockpiled, its value increases several fold. But the true value of the material does not come about until it is barged, unloaded and processed into cement at our Theodore plant, again, some 114 miles downriver. And, the meaningful difference between limestone at dockside in Monroe County and the calcium carbonate components for cement at Theodore is whether the cost of moving the product to the point of manufacture exceeds its value at destination.

Mr. Chairman, I would offer that the proposed navigation cost recovery legislation before the Congress, either in the form of a fuel tax in the 34 to 38 cents per gallon range or as a 1.5 mills per ton-mile levy, would more than double Ideal's in-place cost of limestone. This is not only ill-advised, but ill-timed, as it would further burden a basic construction product struggling to weather a rough recessionary storm. We would, therefore, ask that the Congress conduct a thorough and deliberate analysis of this legislation so as to not trade a short-term gain for a long-term disaster.

The economic benefit of the nation's inland waterways extends beyond adding value through a low cost mode of transportation and, most often, is measured by the employment and payrolls which result from industrial development. Ideal's south Alabama facilities offer an excellent example of this phenomenon. For instance, during construction, our two projects generated more than seven million manhours of employment and a payroll of close to $70 million. Our regional operational impact is likewise significant and, for 1982, includes a combined plant and quarry workforce of 221 persons whose wages and benefits will approximate $7.7 million. Substantial new investments, employment and payrolls have also been created in supporting industry, particularly suppliers engaged in marine transportation of inbound raw materials and outbound cement products.

With the dependency of these Ideal facilities on the Alabama River in mind, we respectfully request and urge your support of continued Federal funding, at a level corresponding to the Corps of Engineers' O&M requirement in FY 1983, for the Coosa-Alabama river system. Longer term, we are equally hopeful that the Federal Government will continue its longstanding commitment of maintaining and operating the nation's inland waterways and, correspondingly, will reject legislative efforts to transfer this cost burden to private interests.

STATEMENT OF G. TRUMAN WELCH, MAYOR, WETUMPKA, ALA.

Wetumpka is unique in that people who work in Montgomery profit from the existing waterway and have a real interest in extending up the Coosa River. The City of Wetumpka is very pleased that the Alabama River has already proven to be a worthwhile investment. We anticipate as the energy shortage persist that we will need to expand productivity up the Alabama River. It will become even more valuable then.

Wetumpka, Alabama is the threshold of the Coosa River project and we are aware of the number of products that can be exported from the area. Once cheaper transportation is available, this can mean a great deal to the economic future of our area.

The City of Wetumpka has been a member of the Coosa-Alabama River Development Association for a number of years and the Association has been a very effective spokesman. We are very pleased to endorse the subcommittee testimonials of the Association.

Statement of Steve Means, Mayor, Gadsden, Ala.

Since I am unable to be in Washington this year with the delegation from the Coosa-Alabama River Improvement Association, Inc., I am writing this letter to express my full support for their mission.

The development of the Coosa River is one of the keys to the future economic growth of the Gadsden area. An efficient, economic waterway system is part of the solution for a sick economy. Work on the Coosa-Alabama Waterway would have a double effect: Current employment and future benefits.

We have confidence that the Corps of Engineers has a good design for the Coosa Project. Engineering problems have been solved and the plan is ready for a starting date of March, 1983.

Now is the time for construction money to be appropriated for the Coosa River Project, an investment in the future economic strength of our nation.

Statement of Thomas R. Tippy, Sr., Vice President, Alabama River Pulp Co., Inc.

This statement is prepared pursuant to Appropriation subcommittee hearings for the fiscal year 1983 and, more specifically, in support of continued funding of the Coosa-Alabama River system for which testimony will be received on or about this date.

Our Company is pleased to participate in the efforts to improve the Coosa Alabama Waterway. As the Alabama River channel is improved, we will be expanding our barging operation as much as possible to achieve lower cost transportation for our outgoing product.

We produce bleached market kraft pulp, primarily for the export market. In 1981 we barged 40,000 gross short tons of pulp to the Port of Mobile. We estimate 60,000 gross short tons will be barged during 1982. In addition to barging pulp, we expect to begin barging fuels and raw materials, when the river depth is reliability maintained. This tonnage will be in the range of 240,000 tons per year.

While the Alabama River has an authorized project depth of nine feet, and at this level would be sufficient for Alabama River Pulp Company's barge movements of pulp from the Mill to the Port of Mobile, this draft historically has been available to commercial traffic for only nine months of the year. In illustration, during the late summer and early fall, there typically is a 100 day period of "low water" when River depths are less than eight feet which, in turn, restricts usable barge drafts to about seven feet. Conversely, a "high water" period in the spring months produces swift currents on the River making navigation, with a loaded tow, difficult on several critical and narrow bends.

The Corps' Mobile office is cognizant of the aforementioned problem facing commercial interests on the Alabama River and, within their discretionary authority, has instituted studies aimed at corrective alternatives. Possible short and intermediate term solutions being evaluated include: increased regulation of water discharges at the Claiborne Lock and Dam which should partially mitigate the seasonal low water problem; modified operational procedures for the Jones Bluff and Millers Ferry projects (up-river) to capture and harness all available water flows above Claiborne; and, additional dikes and "training" structures on the lower River to further confine water-flows, thereby increasing depths in critical reaches of the waterway.

Should these alternatives prove to be ineffective in solving this long standing problem on the Alabama River, the Corps has also indicated that it may be necessary to seek funding, in FY 1983 or FY 1984, so as to identify additional projects or authority needed from the Congress to increase the River's low-flows.

We are pleased to be located on the Alabama Waterway in Monroe County and look forward to the improvement of this vital waterway. We must all work together to conserve our energy resources in the most efficient manner possible.

We respectfully request your concurrence and recommendation of funding being sought by the Coosa-Alabama River Improvement Association for the upcoming fiscal year.

LETTER FROM MARTIN J. DARITY, MARTIN J. DARITY CO.

March 8, 1982

Senator Mark Hatfield, Chairman
Subcommittee on Appropriations for
Energy and Water Development
U. S. Senate
Washington, DC 20510

Dear Senator Hatfield:

Your Committee has scheduled a hearing for Monday, March 29, and members and friends of the Coosa-Alabama River Improvement Association, Inc. will testify concerning the needs and benefits of these projects. The completed portions of these projects are paying great dividends, and your continued support will be gratefully appreciated.

If there is any particular information required, please let me know.

Thanks for being so concerned.

Best of Luck,

Martin J. Darity

Martin J. Darity

STATEMENT OF ROBERT M. HOPE, PRESIDENT, MOBILE AREA CHAMBER OF COMMERCE

It is our request that you please recommend the Committee's approval of the items proposed in the budget for projects of the Coosa-Alabama River System.

We believe that the continuation of the development of this great river system is necessary in order that our country might obtain the maximum benefits from the investment already made. We also believe that it has had a great impact on the economy and is sure to continue to do so throughout the State of Alabama, the entire basin and regions beyond.

Specifically, we request your support to obtain construction funds to initiate the Coosa River Navigation Project. It is our understanding that the design has been completed with a projected starting date of March 1983.

Please let us know if we may be of any assistance to you in your effort to obtain funding for this vital waterway system.

STATEMENT OF TOM B. JORDAN, FARMERS & MERCHANTS BANK, ALABAMA

I sincerely support the Coosa-Alabama River Improvement testimony for our waterways.

We desperately need construction money to start the Coosa River Navigation Project plus operation and maintenance of the Alabama River.

Since Alabama and the nation have a very high rate of unemployment, work on these projects would have a double effect with current employment and benefits for the future. This would really be a shot in the arm for our economy if we could get the funds for these projects.

Thank you for everything you have done and are doing for the support of the waterways.

STATEMENT OF FRANK A. PLUMMER, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, FIRST ALABAMA BANCSHARES, INC.

I regret that previous committments make it impossible to attend the meeting today in person.

It is most important that we obtain your expertise and counsel as we move ahead with the development of the river system.

The long term problems of energy will not disappear overnight. The continued and accelerated program of river development,as you know, will play an important role.

In the short term,as bankers, we are well familiar with the role that water transportation fulfills in attracting industry to Alabama. The $2 billion projected plant of General Electric which is now under construction on the banks of the Alabama river, ten miles south of Montgomery,is only one prime example. Exportation of grain to Mobile from this area will play an even more important role as we work toward a proper balance of payments.

There is a short range urgency of action to employ productive labor on this project as we combat 15% unemployment in Alabama. I completely agree with the administration that funds must be directed from unproductive projects to economically feasible programs such as this river development.

Thank you for your past work and your courtesy to this delegation.

STATEMENT OF TOM MONEY, PRESIDENT, CHEROKEE COUNTY (ALA.) BANK

We submit to you our support for the Coosa-Alabama River Improvement Assoc.,Inc. in their efforts to insure the development of the Coosa River for benefit to the economy of people and business in our state.

The economic strength of our state would benefit not only from the actual construction employment but also through the future use of the possibilities for developing along the route of improvement brought by the project.

Operation and maintenance will allow even more movement of tonnage on the river which is already paying for itself, and create even wider use of this economical prospect.

Not to effect this project may prove to be short sighted reluctance and curtail drastically future promise of development of our state.

STATEMENT OF STEPHENS G. CROOM, JR., P&S MARINE BUILDERS & REPAIR CO.

We would like to offer the following information before your committee in support of the Coosa Alabama River System and the association representing interests involved in its use and development.

P&S Marine has moved bulk fertilizer in standard river barges for Mississippi Chemical Corp. for the past seven years. Barges are loaded in Pascagoula, MS and transit the waterways to the unloading site at Montgomery, AL. During the past season of 1981, P&S transported approximately 30,000 tons of graded fertilizer to this terminal and we anticipate a 10 - 15% increase in the coming year of '82.

We have experinced numerous draft restrictions over this seven year period, but feel that the close working relationship between users, federal agencies and trade associations in dealing with our problems has more than offset any adversity .

P&S Marine requests this brief statement to be entered into the record as our support of the Coosa-Alabama River Improvement Association.

STATEMENT OF REUBEN C. FINNEY, DIRECTOR, ALABAMA DEVELOPMENT OFFICE

Because waterways provide economic benefits to mankind that extend for centuries, I am happy to reaffirm our enthusiastic and unequivocal support to the Coosa-Alabama River Improvement Association in its efforts to develop a great southeastern waterway.

Not only is federal funding needed to initiate the Coosa River Navigation Project, but also to operate and maintain the Alabama River, including the locks and dams at Claiborne, Millers Ferry and Jones Bluff. The Alabama River is paying for itself. A benefit-to-cost ratio of 1.9 to 1.0 was established in 1979. Just over two million tons were moved that year and there is every indication that this figure will be doubled in 1982.

High unemployment is presently a serious problem in Alabama as well as the nation. Work on the Coosa-Alabama could provide needed jobs now, not to mention many other jobs to be created in future years when this waterway is navigable from Alabama's great port city, Mobile, to industrialized areas of northeast Alabama and northwest Georgia.

I respectfully urge your committee to give a favorable response to the testimony of the Coosa-Alabama River Improvement Association.

STATEMENT OF BRUCE S. SCHLOSBERG, EXECUTIVE VICE PRESIDENT, ROME (GA.) AREA CHAMBER OF COMMERCE

We enclose a resolution from the Rome Area Chamber of Commerce in the interest of the continuing development on the Coosa-Alabama River System.

We acknowledge, with sincere appreciation, the wholehearted support and appropriations that have made it possible to plan, begin and continue construction on the following projects:

Alabama-Coosa Rivers
Allatoona Lake
Jones Bluff Lock and Dam
Carters Lake
Millers Ferry Lock and Dam
Mobile Harbor
Multipurpose Dam, Dalton Lake, Georgia

We hold this program to be a splendid example of cooperation between the federal government and private power company development for the benefit of the entire Southeast.

- RESOLUTION -

WHEREAS, those counties lying within the basin of the Alabama River are experiencing continuous economic growth due to the current development program now underway on the river; and,

WHEREAS, many of the counties in the area of the Coosa River have also begun experiencing economic growth because of the Alabama Power Company's development program, and this, too, will accelerate when the Alabama-Coosa waterway is fully navigable from Mobile to Rome, Georgia; and,

WHEREAS, dynamic economic growth, increased hydropower and barge transportation facilities, and a more productive way of life, are but a few of the numerous benefits that will accrue when this great river system is developed;

THEREFORE BE IT RESOLVED, that the Rome Area Chamber of Commerce approves testimony by Coosa-Alabama River Improvement Association for support of appropriations on the following projects:

Alabama-Coosa Rivers
Allatoona Lake
Jones Bluff Lock and Dam
Carters Lake
Millers Ferry Lock and Dam
Mobile Harbor
Multipurpose Dam, Dalton Lake, Georgia

We strongly urge appropriations representing the capability of the Corps of Engineers for Fiscal Year 1983.

Approved and adopted this 29th day of March, 1982.

Joel Sulzbacher
Joel Sulzbacher, Chairman
WATERWAYS SUB-COMMITTEE

Statement of Gene E. Stewart, Mayor, Sylacauga, Ala.

The City Council of the City of Sylacauga, Alabama, unanimously adopted the enclosed resolution at its regular meeting held March 3, 1982.

I want to say, as Mayor, I endorse the actions of the Council in adopting this resolution. The Coosa-Alabama River Improvement Association is to be complimented in its efforts to make these waterways navigable. They have spent many hours on these projects.

On behalf of the citizens of the City of Sylacauga, I respectfully request your efforts, not only individually, but as Chairman of the Subcommittee on Appropriations for Energy and Water Development, in securing the necessary funding to complete these projects which will help the State of Alabama and the Nation as a whole.

RESOLUTION NO. 3-82

WHEREAS, the Coosa-Alabama River Improvement Association, Incorporated has worked diligently to make the Coosa River and Alabama River navigable; and

WHEREAS, since the State of Alabama and the Nation have high unemployment, the effect of making these rivers navigable will create more employment; and

WHEREAS, by these rivers being navigable, the transportation cost should be decreased, therefore making the cost of the products cheaper to the consumer whereby this will help to keep inflation down; and

WHEREAS, the cost for these projects will eventually pay for themselves as the moving of freight will be increased in the future since the economy will be improved by these projects being navigable; and

WHEREAS, we feel that the Corps of Engineers has a good design for the Coosa River Project and feel that the engineering problems have been solved; and

WHEREAS, an efficient, economic waterway system is a help to the solution for a better economy;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Sylacauga, Alabama that this is the time for an investment in the future economic strength of our nation; and

BE IT FURTHER RESOLVED, that the City Council respectfully request the Congress of the United States to appropriate the necessary monies to complete these projects so that these navigable waterways may be a contributing investment economically to our country.

ADOPTED this 3rd day of March, 1982.

Bill Smith
President of Council

APPROVED this 3rd day of March, 1982.

Gene E. Stewart
Mayor

ATTEST:

John Newberry
City Clerk

STATEMENT OF EDWARD W. ENSLEN, JUDGE, PROBATE COURT OF ELMORE COUNTY, ALA.

The times in which we live demand more than ever before that we do not lose sight of our plan for a systematic development of the resources of this land of ours.

Energy has been spotlighted and the need of new and diverse sources has been brought forth in this season of unrest and turmoil throughout the world.

This background advocates an even greater effort on our part of support the cause of the Coosa-Alabama River to mature to the potential it possesses. This is done with the knowledge of the good it will do to the economy of our Nation, as well as the services it can render to our land and to the commerce of this most important American river system.

We are now the ones that occupy positions of trust in the future of these United States of America. We must not falter nor fail in our endeavors to pass this on in an enhanced station; not for our glory, but for the glory of this Nation.

STATEMENT OF ROBERT HITT, CHAIRMAN, ETOWAH COUNTY (ALA.) COMMISSION

I would like to take this opportunity to express my wholehearted support of the Coosa River navigation project, and my support of the association's testimony, and would sincerely like to see this project started in March 1983.

I feel that this project would have a great impact on the economy and employment in all of Alabama, especially improving the Mobile Harbor.

I also feel that this waterway system is part of the solution for Alabama's sick economy.

Thank you for your attention in this matter.

STATEMENT OF TOM WADE HAMPTON, PRESIDENT, CHEROKEE COUNTY (ALA.) COMMISSION

The Cherokee County Commission would like to request the Alabama Coosa River navigation project be given your every consideration. We feel this would be a boost to the economy of our region and the Nation, in view of the jobs provided for now and in the future. Also, we are a strong agricultural and coal mining area and would definitely benefit from this project.

Thanking you in advance for your cooperation.

STATEMENT OF AL FOX, GADSDEN, ALA.

I am writing pursuant to the Coosa River navigation project. I feel that an efficient, economic waterway system is part of the solution for a sick economy.

Mr. Hatfield, with Alabama and the Nation having high unemployment, work on these projects has a double effect: current employment and future economic strength for our Nation.

Thank you for your commitment and ardous effort to this important issue.

STATEMENT OF JASPER FIELDING, CHAIRMAN, COOSA COUNTY (ALA.) COMMISSION

The Coosa River navigation project will have a very strong economic impact on Coosa County and the surrounding area. Coosa County is mainly a timber producing area and is prohibited from being profitable to the small landowners because of the lack of adequate highways and transportation. Barge travel would certainly give the people of Coosa County an economic lift.

The Coosa County Commission certainly endorses the efforts of the Coosa-Alabama Improvement Association and commends them for their continued support for the Coosa-Alabama River improvement.

BLACK WARRIOR-TOMBIGBEE WATERWAY

STATEMENT OF OFFA S. NICHOLS, JR., PRESIDENT, WARRIOR-TOMBIGBEE DEVELOPMENT ASSOCIATION

ACCOMPANIED BY SHELDON MORGAN, CHAIRMAN, WARRIOR-TOMBIGBEE DEVELOPMENT ASSOCIATION

Senator COCHRAN. We now have a witness representing the Warrior-Tombigbee Waterway project and the Port of Mobile, Mr. Offa Nichols, who is president of the Warrior-Tombigbee Association.

Mr. NICHOLS. We have a few believers left, Mr. Chairman.

Senator COCHRAN. That's all right, we are glad to have you with us.

Mr. Nichols. Thank you, sir. I am Offa Nichols, president of the Warrior-Tombigbee Association. Our members represent a cross-section of agricultural and industrial interests from the Warrior-Tombigbee basin in Alabama. We have members from eight other States. What has been stated here in support of the Tennessee-Tombigbee and the Coosa-Alabama Waterways applies to the Warrior-Tombigbee request today. The difference is that the Warrior-Tombigbee is already a busy and bustling waterway which will be carrying the bottom end of the traffic that will be generated on the Tennessee-Tombigbee.

We have a fairly efficient waterway system now. The Warrior section has a problem in that there is one lock which was rebuilt before World War II that was not included in the modernization of the waterway that took place in 1960 and 1970. This has become a very serious bottleneck in recent years, particularly in view of the coal movement that is coming out of Justin County, Walker County, and the Tuscaloosa County area in Alabama, where some people estimate that 10 percent of this country's coal is buried.

TRAFFIC PROJECTIONS

When the Warrior-Tombigbee was being modernized in the 1960's and 1970's, it was estimated that the new work would produce, by 1980, 8 million tons of traffic, but the facts are that 8 million tons of traffic moved in 1966 and in 1980, 18 million tons of traffic moved on our waterway. That is twice what had been projected.

In 1981, the growth continued so rapidly that in spite of a 3-month coal strike and a 31-day complete closure for major lock maintenance, we moved as much cargo in 8 months as we had moved in the previous 12 months.

There are 21 counties in alabama and Mississippi that now ship their grain products to Mobile by the waterway system, the new part of the Tennessee-Tombigbee, and the existing Warrior-Tombigbee system. In Mississippi and Alabama, as in the rest of the Nation, soybeans have become the largest cash crop.

The demands being placed on our system now and which will be placed on it in the future require peak efficiency at all times. This efficiency is impaired, as I mentioned, by the bottleneck at Oliver. One of our major thrusts is to continue the study toward the replacement of Oliver lock with a new, modern, full-sized standard lock.

COAL EXPORTS

While we are involved in these activities now, millions of dollars have been spent by industry, by farmers, and local governments in providing thousands of jobs. The Alabama State docks expansion program is on schedule, and by 1983 it will offer the most advanced coal handling technology available in this Nation.

During 1981, 80 percent of the coal exported from the Port of Mobile arrived there by barge. Contracts are already in existence for 1982 indicating that there will be at least a 40-percent increase in this barge movement due to exports of coal. Shipments of ore, steel, and related products are expected to more than triple by 1985 because of a major modernization program already underway.

The availability of the waterway is critical to the future expansion plans of other industries who are already looking beyond the current depressed state of the economy. The public utilities—we had testimony on that here from co-ops, the public utilities co-ops, as well as investor-owned, already rely on the waterway for over 20 percent of their fuel movements. They will soon be moving thousands of tons of limestone to satisfy EPA-required sulfur removal.

These are but examples of how central this waterway is to the economy of the entire area with respect to both domestic and international markets. Statements which we have submitted detail and further highlight the significance of this waterway to the market area.

OPERATION AND MAINTENANCE REQUIREMENT

With respect to its specific funding request, as Senator Heflin mentioned earlier, the $7.8 million requested for operation and maintenance of the Warrior-Tombigbee is not sufficient for full-time operation in view of the money that has been withheld, which has already been discussed here, nor is it sufficient for a minimum essential dredging. The Corps has stated that there is an additional capability of $3,452,000, making a total capability of $11,258,000, which is the minimum amount essential to the efficient operation of the waterway in fiscal 1983.

WARRIOR-TOMBIGBEE RIVERS STUDY

Perhaps more significantly, even though the number is smaller, is the money for surveys. In the budget for 1983 is a figure of $320,000 to continue the feasibility study for the replacement of Oliver lock and the improvements in the existing channel in view of the greatly increased traffic. This $320,000 will not permit the Corps to continue uninterrupted work on the design and engineering of the Oliver lock. That point is well understood between us and the Corps when we have been working with the Corps in attempting to get a figure, the accurate figure that needs to be added.

We believe that figure will be forthcoming. In the appearance before the committee in the House this morning, the figure was estimated to range between $350,000 and $775,000 that is required to keep this project moving. We certainly hope that this subcommittee will support that in putting that additional money in.

In closing, I would like to thank the committee on behalf of myself and the other officers and directors of the committee for their association in the past. We have had your support in the past. We ask for it again.

I would like to identify the people that are here with us today. On my right is Sheldon Morgan, who is the chairman of the Warrior-Tombigbee Development Association, who, after we introduce our other members, would like to make another statement about the Mobile Bay area.

INTRODUCTION OF SUPPORTING WITNESSES

With us here is Mr. Nick Barchie, from the Warrior & Gulf Navigation Co.; Bob Coleman, from Radcliff Materials Mr. Richard Dick, Drummond Coal Co.; Doctor Billy Powell was here to testify for the Tennessee-Tombigbee Waterway. Everything he said all the grain he talked about moving on the Tennessee-Tombigbee moves down the lower section of the Tombigbee River.

Mr. Marrion Rambeau from the Mobile Chamber of Commerce; Mr. Julian Smith from the Alabama Power Co.; Mr. Walter Stevenson from the State office of management, and we lost a member who had to depart, Mr. E. G. Browning, the State Docks of Mobile; Mr. John Thomason, Ideal Basic Industries.

If I may, now, Sheldon Morgan.

MOBILE HARBOR DEEPENING, ALABAMA

Mr. MORGAN. Mr. Chairman, may I have a moment?

Senator COCHRAN. Yes, sir, Mr. Morgan. We are glad that you are here.

Mr. MORGAN. I would like to speak as chairman of the port committee of the AAPA and the Mobile Area Chamber of Commerce on the Warrior-Tombigbee. In mentioning a couple of things having to do with the port, in the recommended budget, the figures there are much lower than what will be needed to maintain the drop basin of the Port of Mobile.

I have introduced, for the record, our figures that would be required in terms of funding the port on a normal level of operation. This is substantially more, I would say, than what is projected in the proposed 1983 fiscal budget.

So we will submit those to the record. The other thing that was not mentioned because Governor James wasn't here to testify earlier.

Senator COCHRAN. He was not here at this meeting. He asked Governor Alexander of Tennessee to make a statement on his behalf. He has to be at another place, and so they swapped off. He had a statement here.

STATE SUPPORT

Mr. MORGAN. I would like to mention, though, that the State of Alabama sold a $100 million bond issue in February 1981 to prepare for the expansion of the port, because of the Tennessee-Tombigbee Waterway and because of increased coal coming not only down the

Tombigbee, but the Warrior-Tombigbee and other developers. So they appeared with finances as far as expanding the port. In addition to that, the recent oil and gas reserve windfall that came to the State of Alabama came to about $500 million. Of that, in a recent referendum, a constitutional amendment was approved by the people of Alabama on March 24 to reserve $60 million of that in a trust fund for the Port of Mobile.

We are real proud that the State and the people did that, so now the Port of Mobile is in a position to meet its local responsibilities in the maintenance of the harbor in matching whatever Federal funds are required for both maintenance and also for deepening the harbor.

O. & M. SHORTFALL

Senator COCHRAN. What is the shortfall that you see between the President's request for operation and maintenance funds and what your projections are as to the total you will need for the Port of Mobile?

Mr. MORGAN. The total that we need is $6,027,000 and that—$3,721,000 is requested in the budget, so we have a shortfall of $3,206,000.

Mr. NICHOLS. Senator, that is on the statement that I gave you.

Senator COCHRAN. I see that now, and I appreciate your describing that to the committee. We understand that there are going to be additional burdens on the Port of Mobile, assuming that we do realize success in getting full funding for completion of the Tennessee-Tombigbee Waterway. Will there be continued need for a larger appropriation for operation and maintenance in outyears down the line for the port, or will this be made up from local funds, the bond issue and the other commitments that you have referred to?

Mr. MORGAN. Let's put it this way: It really depends on what comes out of Congress in the way of what has been proposed. There is so much in now as far as proposals for cost recovery, so it is hard to answer that, of course, until we know what, really, would be required from the local sponsoring organizations.

I would say that Mobile is in a position, up to a point, to meet its responsibilities, and of course there again, to answer your question of how much would be required, this maintenance that we would have as an ongoing thing, the only increase comes out mainly because of the inflationary spiral. There are no new things to maintain. The only way that would increase out of proportion from its normal trend would be if we were to get the 55-foot channel expanded and funded.

Then it would require a greater maintenance level on an annual basis. Then, also, we do not know how that—what formula would be applied in the maintenance. There are all kinds.

As you know, a lot of things have been proposed, and Senator Abdnor has a proposed bill, and there are other activities as to what cost recovery formula should be established.

It gets very complicated.

Senator COCHRAN. I was glad to see the other day that Senator Abdnor went down to Mobile at the invitation of Senator Denton to look at the situation and to become familiar with the Port of Mobile. He is chairman of the Legislative Committee and he occupies a very important position in connection with our public works activities, having jurisdiction over legislation that would authorize the Corps of Engineers' activity and also prescribe the rules of the game and who is going to pay for what and how.

So, I was glad to see him go down there and take such an active interest in it, even though he is from South Dakota.

The fact is, I think it is being realized that the Port of Mobile is a very important national transportation asset for the country.

Mr. MORGAN. That is a good point; yes.

Senator COCHRAN. It is growing in importance all the time. With the completion of the Tennessee-Tombigbee project, of course, its importance will be amplified even more than that. I think it is to all of our advantage if we have more Members of Congress, the Senate, personally knowledgeable about the situation there and what the needs of the port are and what the port is doing for the Nation.

Mr. MORGAN. I totally agree with what you say. I think it opened his eyes to some of the effects that any of these proposals might have on the farmers.

As it came up this morning, the increased transportation costs on grain is not passed forward into the marketplace, it is passed back as a cost burden on the farmer. He has got to absorb that. He has got to compete in the world market.

As mentioned by Dr. Powell, Argentina and Brazil are moving very fast. If the Japanese go in there and fund the transportation system for them, they will beat us in the world market. That has been a concern. That could happen.

So we have got to do everything that we can to remain competitive in the world market on coal and on grain; in particular grain, because the margin is just not there to shift any additional costs forward into the marketplace.

Senator COCHRAN. The farmers cannot very well stand any more costs being put on them, either, right now. They are in a crisis situation.

Mr. MORGAN. That is right.

I would like to mention this before I close in regards to the port: I don't want to leave the impression that Mobile is all set to handle any cost recovery that comes along. We are fortunate in having a reserve right now that can go toward helping us meet whatever local responsibilities may come up, but we have grave concerns about some of these proposals flying around in the Congress right now about cost recovery, both on the inland waterways as well as on this.

NATIONAL DEFENSE BENEFITS

Because what it would take to meet the responsibilities locally also is a matter of equity. How much is the deep-water port of value to the national interest? Two weeks ago we had the NATO fleet in Mobile; five NATO ships docking there. They were over there on their exercise before they went down into the Caribbean. We had the Coast Guard moving a Coast Guard cutter into Mobile right now. The brand new one will have three new Coast Guard ships operating out of Mobile. This type of thing is also part of the overall picture.

So, I do not want to leave the impression that we have got all the funds and we are ready to accept the responsibility to maintain the Port of Mobile from the local level.

We think it is in the national interest, as well. But we do say that we are prepared to work in partnership, and we, for that reason, the people have voted this fund in reserve for all our maintenance.

Senator COCHRAN. I appreciate that statement. I think other members of this subcommittee will fully understand the dilemma that that would put you in if the Federal Government just said, "Well, it is your port, and you pay for the full cost of it." That is an unrealistic attitude, I think, and I think those views would be shared by the other members of the subcommittee. These proposals worry us, too, particularly the user fee proposal and the request for funding in operation and maintenance this next year. That is going to require some very careful and thorough analysis before the Senate approves that.

I don't know how to predict the outcome but simply by way of saying to you that your concerns are shared by some of us who are here. I think you can be comforted in the fact that there will not be any precipitous or arbitrary approval of a legislative package that would undermine our ability to keep our ports and harbors and waterways functioning in a cost-effective way.

You are very kind to be here. We appreciate, Mr. Nichols, your being here. We have copies of other statements which you have submitted. We will include those in the record.

Thank you for being here. Thank you for coming.

Mr. MORGAN. Thank you. Thank you.

[The statements follow:]

STATEMENT OF J. BRUCE CHILDRESS, PRESIDENT, CHILDRESS CO., INC.

The Warrior-Tombigbee Waterway was built many years ago to fulfill a specific need in the modal choice of commodity transportation from the industrial city of Birmingham to the port city of Mobile, Alabama. In addition it has produced an astronomical amount of hydro-electric power and provided a measure of flood protection and recreational facilities for all of our citizens.

We are a towing company and have been operating boats on the Black Warrior-Tombigbee since August of 1971. We operate two tows on the upper end of the Black Warrior-Tombigbee River, their main function being to shift barges under the unloading and loading equipment as required. We also operate two tows on the Gulf Intracoastal Waterway and its' tributaries, including the Black Warrior-Tombigbee and Chattahoochee Rivers. These tows have a maximum capacity of 118,000 barrels. We are now almost midway thru the year 1982 and have been using this great waterway beyond the capability it was designed to accommodate. The requirement for electric power is ever increasing, and traffic generated by waterborne commerce is ten to fifteen years ahead of its' projected growth rate. In 1981 we moved over 931,000 barrels of oil, approximately 1,120,000 tons of coal and approximately 1,120,000 tons of scrap steel and iron ore. We are projecting for 1982 a movement of half a million barrels of oil, 1,680,000 tons of coal and 1,680,000 tons of scrap steel and iron ore.

Let's talk Oliver Lock and Dam. When it was completed in 1939, it fulfilled the objectives required of it. Now forty-three years later, although still in operation, simply cannot accommodate effectively, the traffic the Warrior-Tombigbee has generated. We have to break our tows down to size to fit this lock, the only non standard lock on the river system. This in turn creates an increase in demurrage, a direct overhead expense, and increases the price to consumers on non productive expenditures. This causes a decrease in production and increases the cost of repairs resulting ultimately in increased unemployment. Feasibility studies, planning stages, environmental and ecology problems have been addressed and resolved, but the plain truth is, in order for the Warrior-Tombigbee Waterway to become a more effective segment of the Inland Waterway System, it simply must be updated to accommodate today's traffic demands.

The production, transportation, and exporting of coal is becoming more important to our national economy everyday. It is my contention, that in order to be competitive in the World Market, we must move our products to export terminals in the least expensive method.

Our course of action is obvious. It is respectfully suggested, and requested that our elected senators and representatives use every tool at their command to strive for continual upgrading and maintenance for this very vital waterway system. We are looking specifically for a budget for the Corp of Engineers which will allow them, once again, to meet the challenge of our ever increasing demand for safe, efficient and economical waterway transportation.

STATEMENT OF SHELDON L. MORGAN, CHAIRMAN, PORT AND WATERWAYS COMMITTEE, MOBILE AREA CHAMBER OF COMMERCE

We believe that it is in the interest, not only of the Mobile area, but of the entire nation, to maintain and improve our waterways in order that our country be able to compete in the international marketplace by providing the lowest possible transportation costs.

With this in mind, we respectfully request your committee's support for funds required by the Corps of Engineers to operate and maintain the following projects:

	Project	Funding Required
1.	Bayou Coden Channel	$ 441,000.00
2.	Bayou La Batre Channel	$ 665,000.00
3.	Dauphin Island (Village) Channel	$ 569,000.00
4.	Dog and Fowl Rivers	$ 429,000.00
5.	Gulf Intracoastal Waterway (Mobile Section)	$ 4,062,000.00
6.	Mobile Harbor Maintenance	$ 6,027,000.00

We also request support of your committee in funding the budgeted amount of $1 Million for the continued planning and engineering of the proposed deepening of the Mobile Ship Channel from its present depth of 40 feet, to 55 feet.

STATEMENT OF NORMAN S. IVEY, GENERAL MANAGER AND VICE PRESIDENT, GULF COAST DIVISION, AMERICAN COMMERCIAL BARGE LINE CO.

I am writing on behalf of American Commercial Barge Line Company to express our concern over recent developments concerning improvements on the Warrior-Tom Bigbee River and the Port of Mobile, Alabama. It is my understanding that the current budget for the Corp. of Engineers does not provide for full time operation of the waterway or minimum essential funds for dredging nor does it provide for planning funds to continue uninterrupted progress toward the replacement of Oliver Lock.

As you may know, our company operates a fleet of towboats and barges over the inland rivers and canals. We provide a cost effective transportation link between Americas inland industries and our nations foreign shipping ports. One of the waterways upon which we operate is the Warrior-Tom Bigbee River that flows to the Port of Mobile, Alabama. Our current operation in this area includes shipments of coal from Holt, Alabama, Port Osborne and Coal Systems Dock at mile 372 in the Warrior to Gulf Port, Mississippi.

Our 1982 projections include 550,000 net tons of coal and 3,000 net tons of chemicals. We are hopeful that these volumes will increase as improvements to the waterway and method of operation of the locks improve. The Warrior-Tom Bigbee River was for years limited to four barge tows because of narrow channels, rocky bottoms and antiquitated locks. Recent improvements on the waterway have expanded it to a six barge river providing improved fuel efficiency as well as savings in capitol and manpower. Continued channel maintenance, coupled with the removal of the bottleneck created by old Oliver lock can lead to further reduction in the cost of transporting products from this region.

Our company applauds the effects currently being made by the Federal Government to reduce waste and trim the Federal Budget. We must, however, caution that the transportation links of our nation must not only remain strong, but continue to grow to keep abreast of foreign competitors. The Health of American Industry depends on our ability to compete.

Reductions in the Federal Budget that fail to provide minimum essential funds for dredging of our waterways or that slow progress towards replacing outdated locks on our nations rivers would most surely be counterproductive to the goals of the present adminstration and our nations economic recovery.

If our company can be of further assistance in providing information concerning present conditions on the waterway please do not hesitate to ask.

STATEMENT OF R. M. BROWN, PLANT MANAGER, CHICAGO BRIDGE & IRON CO.

For many years, our company has participated in efforts to improve the efficiency and reliability of the Warrior-Tombigbee Waterways because of the resulting lower freight rates for our products and efficiency in energy consumption.

We built a multimillion dollar fabricating facility on the Warrior River in Cordova, Alabama, which was opened in late 1974. The plant is equipped to fabricate, machine, weld, test and load onto barges extremely large and heavy steel vessels for use in the nuclear and petroleum industries as well as other fields, such as chemical processing, pulp and paper, water and waste treatment, water storage and many others. The lack of expansion in the nuclear and oil refining industries compelled us to close the plant for several years. We are now operating it on a limited basis and hope that, as the economy expands, we will be using it much more in the future.

Approval of funds in the budget for the Warrior-Tombigbee System and Mobile Harbor are vital, as well as approval of additional funds to cover the "capability" to effectively utilize an additional $3.5 million for Warrior-Tombigbee and $2.3 million for Mobile Harbor. It is also important to provide additional planning funds to complete the modernization of the Warrior-Tombigbee System by replacing the small, deteriorated Oliver Lock with a reliable, standard-size lock.

We support the testimony to be given by Mr. O. S. Nichols, Jr., President of the Warrior-Tombigbee Development Association, and solicit your support.

STATEMENT OF ALAN R. BARTON, PRESIDENT, MISSISSIPPI POWER CO.

Mississippi Power Company currently consumes nearly 2 million tons of coal annually that is shipped by barge. Of this amount, over 750,000 tons travel on the Warrior-Tombigbee waterway. This coal is used for the production of electricity to serve approximately 160,000 customers in twenty-three counties of Southeast Mississippi.

It appears certain that our use of coal as an energy source will increase substantially during the coming years, as it is the mainstay of the major generating plants in our service area. Cost of transporting coal to our coal-fired generating plants is an important part of the total cost of fuel. Without the access that the Warrior-Tombigbee provides, we would be forced to consider alternative shipping routes which would ultimately result in higher costs to our customers.

We feel that the continued efficient operation of the Warrior-Tombigbee waterway is important to the users of the waterway, to the employment and economy of our area, and to our company and its customers. In view of this, we respectfully request that you consider approving funds in the budget to operate the waterway efficiently as well as additional planning funds to complete the modernization of the Warrior-Tombigbee system.

I appreciate the opportunity of presenting my views on this matter.

STATEMENT OF ROBERT M. HOPE, DIRECTOR, ALABAMA STATE DOCKS DEPARTMENT

The year 1981 launched the Alabama State Docks and the Port of Mobile into the most exciting era of port development since the inception of the Alabama State Docks in 1928. Alabama State Docks Department facilities at Mobile have for the last six years been involved in a renovation and refurbishing program as the result of a $45 million Bond Issue passed for this purpose. However, 1981 saw the execution of a $100 million Port Development Issue for the purpose of expanding bulk facilities at the Alabama State Docks which are vital to the State of Alabama as well as the Mid-America region of the United States.

In addition to renovation and expansion programs either just completed or under way, the Port of Mobile has a channel deepening and harbor improvement program which has been recommended at the Corps of Engineers District level in Mobile, approved at South Atlantic Region in Atlanta, and has been approved by the Board of Engineers for Rivers and Harbors in Washington, D. C. Final approval of the project rests with the Chief of Engineers in Washington and recommendation for funding by Office of Management and Budget.

The project calls for deepening the Mobile Ship Channel from the Bankhead and Wallace Tunnels south to the Gulf from a present authorized depth of 40 ft. to an authorized depth of 55 ft. In addition, harbor improvements such as an additional authorized turning basin and anchorages are included in the project.

The Department's in progress expansion program at Mobile includes a third phase to the McDuffie Island Export Coal Terminals and involves the construction of two additional storage pads bringing ground storage capacity at this plant up to 2 million tons, a third stacker/reclaimer, a third barge unloader, a second rail car dump, a second rail loop track, a second ship dock with high-speed ship loading equipment and an integrated material handling conveyor system which will tie Phase Three into Phases One and Two giving the plan an extremely high level of flexibility in regard to its loading and unloading exercises as well as making this facility the most technologically advanced export coal handling plant in the United States.

Also included for expansion is the Alabama State Docks bulk material handling facility at Three Mile Creek. This expansion will include construction of a rotary car dump with required feeders and connecting conveyors to move such commodities as coal and coke from the rotary dump pit to existing main dock conveyors for delivery of the commodities either to an existing ship loader or by a new conveyor to a new paved storage area which will be constructed from bond proceeds.

The new conveyor from the main dock conveyor to the new storage area will be reversible so tonnage can be reclaimed from the storage area and transferred to the existing ship loader. Included in this construction will be necessary railroad track work as well as pollution control equipment to meet all applicable air and water discharge requirements.

Export grain tonnages arriving at Mobile are processed through the Alabama State Docks Department grain elevator complex consisting of a number of elevators, storage silos and bins. The Department has just completed construction of the north head house which enables the cleaning, weighing and loading onto ships of grain transferred from the existing storage facilities, as well as the receipt of grain from truck and rail connections. The existing grain facilities contain a storage capacity of 3.2 million bushels and capacity in four shipping systems to load ships at approximately 40,000 bushels per hour.

The grain handling facilities are being improved from the proceeds of the bond fund by construction of facilities necessary for compliance with Emission Control Regulations of the U. S. Environmental Protection Agency and the development of facilities which will be capable of loading ships at a rate of 80,000 bushels per hour at a new berth which will be constructed at the river end of Pier D. The berth will be of sufficient size to handle the large bulk grain carriers and grain will be conveyed from the North headhouse through an enclosed gallery building constructed parallel to the loading berth. Two 80,000 bushel per hour belts will feed rail mounted loaders which will be powered for travel up and down the wharf and capable of swinging 180 degrees. The loaders will be equipped with a telescoping verticle loading chute and the loading boom will be able to reach 84 feet down the face of the wharf.

The highly competitive posture of the Alabama State Docks and the Port of Mobile is a direct result of the port's enviable inland transportation infrastructure. Four major rail lines serve the Port of Mobile; however, it is the State's inland river system that continuously gives the port its competitive edge.

The expansion projects which I have outlined above are the direct result of bulk tonnages moving on Alabama's River systems and the Warrior-Tombigbee is, of course, the heavier utilized system in the State, and constitutes a major transportation corridor for coal, iron ore, and grain.

The Alabama State Docks has developed four inland docks on the Warrior-Tombigbee system, two of which are equipped with grain elevators. The inland facility at Demopolis has a 262,000 bushel elevator while the facility at Tuscaloosa-Northport has a 572,000 bushel elevator and represents an investment of approximately 5 million dollars. Grain arriving at these facilities can be moved to the deep-water terminal facilities at Mobile by economical barge transportation.

During the calendar year 1981, eighty percent of the inbound traffic moving into the McDuffie export coal terminals arrived by barge. The plant worked 3,000 barges of coal during 1981. This coal was loaded in the Warrior River basin and moved via the Warrior-Tombigbee/Mobile River to the export plant in Mobile. The economies of river transportation in connection with export coal shipments have given producers in the State of Alabama an entre into coal markets abroad. In addition to providing low-cost transport on waterway systems, the rivers have had the additional effect of stabilizing land movement by rail requiring our railroads to be cost competitive.

The continued full-time operation and maintenance of the Warrior-Tombigbee Waterway is vital to the interest of the Alabama State Docks and the Port of Mobile. The restraint on the waterway at this time exists in the Oliver Lock and the continuance of an expedited study to replace this Lock is imperative.

The Alabama State Docks through this statement and in concern for the continued development of the Warrior-Tombigbee Waterway offers its support for the testimony of Offa S. Nichols, Jr., President of the Warrior-Tombigbee Development Association. Not only is this waterway vital to the interest of Alabama in that it provides an economic mode of transportation, it also has the national effect through the movement of export coal and grains of offering this country the assistance of bringing into balance our deficit in trade and payments.

The river system is energy efficient and plays a vital role in our local, national and international trade, and we at the Alabama State Docks Department pledge our unerring support to its continued development.

STATEMENT OF W. BARRETT NICHOLS, JR., EXECUTIVE VICE PRESIDENT, COAL SYSTEMS, INC.

In 1976, a Mr. Charles Raines and Mr. Ellis Taylor joined together and formed a coal company called Coal Systems, Inc. During 1977, the first year of actual operation, the company shipped some 200,000 tons of coal (primarily by water on the Warrior River) to Alabama Electric Cooperative. The company in 1977 employed approximately 50 Alabamians. From 1977 through 1981, Coal System, Inc. has grown to where it is the second largest surface mining company in Alabama, employing some 350 people.

Much of this growth is due to our ability to load coal at our two loading ports on the Warrior River, shipping coal to Alabama Electric, Ideal Basic Cement, Mississippi and Alabama Power, and the Alabama State Docks for export. In 1981, we mined and shipped approximately 2,000,000 tons of coal, of which some 1,200,000 tons moved by water.

The expansion of McDuffie Island coupled with the ever-increasing domestic demand for water based coal lends great credibility to the ever-expanding needs of the Warrior-Tombigbee waterway. Constant improvement is needed on this system (especially the Oliver Lock) so that Alabama (and other coals) will continue to be competitive both domestically and for the rapidly growing foreign market.

News from Washington is very discouraging to us when we hear of the possible tightening of budgeted funds available for continued maintenance and improvements along our rapidly growing waterway system. We need approval of the funds in the budget, approval of additional funds to cover the stated "capability;" and the provision of additional planning funds to complete the modernization of the Warrior-Tombigbee System, especially in replacing the small, inefficient and deteriorated pre-World War II Oliver Lock.

Though we will be unable to attend the upcoming Congressional hearings in Washington, our representative, Col. Offa S. Nichols, Jr., of the Warrior-Tombigbee Development Association, has our complete support and backing. Please listen to his plight and believe him when he states that he speaks for thousands of people who are relying on this project for their very livelihood.

Thank you.

Statement of Offa S. Nichols, Jr., President, Warrior-Tombigbee Development Association

SUMMARY OF THE REQUEST

The following is a summary of the funding items which bear on the needs of the Warrior-Tombigbee Waterway, and which we ask the Committee to approve:

Black Warrior and Tombigbee Rivers	
Operation and Maintenance (In Budget)	$ 7,806,000
Additional Capability (Reported by Corps)	$ 3,452,000
TOTAL REQUIRED	$ 11,258,000
Surveys (In Budget)	$ 320,000
Additional Capability (Not Reported by Corps)	$ 775,000
TOTAL REQUIRED	$ 1,095,000

Other needs allied to the Warrior-Tombigbee are:

Mobile Harbor	
Operation and Maintenance (In Budget)	$ 3,721,000
Additional Capability (Reported by Corps)	$ 2,306,000
TOTAL REQUIRED	$ 6,027,000
Surveys (In Budget) TOTAL REQUIRED	$ 1,000,000

We fully endorse and seek the approval of these items. I, Offa S. Nichols, Jr., as President of the Warrior-Tombigbee Development Association, our other Officers, our Board of Directors and our Members appreciate the consideration the Chairman and Members of this Subcommittee and its Staff have shown us over the years. We ask for your support once again.

We are submitting additional written statements of support, representing a cross-section of business, industry and the public.

Thank you for your consideration.

I am Offa S. Nichols, Jr., President of the Warrior-Tombigbee Development Association. Our members represent a cross-section of agricultural and industrial activities in the Warrior-Tombigbee basin in Alabama, with additional members from eight other states. The Association was formed in 1951 to bring about the re-development of the Warrior-Tombigbee Waterway System. Construction of the original 17 locks and dams began in the late 1870's and was completed in 1915. The navigation system provided by these locks and dams gradually deteriorated and by the mid 1950's, the annual tonnage had levelled off at 2.5 million tons due to the limited capacity of the obsolete locks.

The Association's objectives have been not only the replacement of the outmoded locks and dams and improvements in the Mobile Bay area, but also the appropriation of sufficient O and M funds to support reliable navigation. Congress generally has appropriated the necessary funds to support these objectives. There are now only six locks in the 400-plus miles from the head of navigation to the Port of Mobile. During the studies which resulted in this redevelopment, it was projected that by 1980, the Waterway would carry some 8 to 9 million tons. These levels were reached in 1966, and some 18 million tons moved in 1980---twice the projection. Rapid growth continued in 1981, despite a three month coal strike and a complete closure of 31 days for major lock maintenance. Ongoing studies project tonnages in excess of 25 million.

The Warrior-Tombigbee Waterway now has a system of modern locks and dams with the exception of one lock, William Bacon Oliver. While prior to 1979, the waterway operated in a generally efficient and reliable manner, we now have a new set of circumstances. These new circumstances reflect not only the impressive growth up to now, but even more the immediate and increasing impact of the world-wide energy and food picture. Some estimates indicate that 10% of our nation's coal reserves are located in the Warrior Basin. Farmers from twenty-one (21) Alabama and Mississippi counties ship their grain to Mobile for export via the waterway. We have a number of large and experienced mining operations in the area, as well as others capable of substantial growth. The development of these coal reserves, the skills and experience of our people, and the growing world-wide demand have created new demands on the waterway. Several thousand farmers are dependent on the Waterway for efficient transportation of their products. In Alabama, as in the nation, their largest cash crop is soy beans.

There are many other commodities moving on the Waterway, such as ores, crude and fuel oils, steel products, chemicals, aggregates and wood products. Related industries are growing and modernizing.

These ever increasing demands require that the Warrior-Tombigbee operate at peak efficiency on a full time basis. Our operational efficiency is seriously impaired by a bottleneck caused by this one remaining sub-standard lock--Oliver on the Warrior River. This pre-World War II lock is smaller than the other five, all of which are the newer standard size of 110 x 600 feet. This necessitiates tows being broken apart, and utilizing double lockages to get through. The current budget proposals will perpetuate and even further magnify this inefficiency.

Meanwhile millions of dollars have been invested by industry, farmers, and other governmental agencies, providing thousands of jobs. The Alabama State Docks expansion program is on schedule, and by 1983 will offer the most advanced coal handling technology available in this country. During 1981, 80% of the export coal arrived there by barge and contracts reflect at least a 40% increase in these tonnages during 1982. Similar expansion is underway for grain handling and bulk materials. The Waterway is essential to successful competition with foreign sources.

Shipments of ore, steel and related products are expected to more than triple by 1985 because of a major modernization program already underway. Availability of the Waterway is critical to the future expansion plans of other industry, looking beyond the current depressed state of the economy. The public utilities, co-ops as well as investor owned, rely on the Waterway for over 20% of their fuel movements, and they will soon be moving thousands of tons of limestone to satisfy EPA required sulfur removal requirements.

These are but examples of how this Waterway is so central to the economy of this entire area, with respect to both domestic and international markets. Attached with this statement are letters from a cross-section of industry, further highlighting this importance.

With respect to the actual funding needs, in the O and M area, the $7.8 million requested does not provide for full time lock operation, nor minimum essential funds for contract dredging. The Corps has reported an additional O and M capability of $3,452,000 million. Additional funds in this amount are critical to efficient and reliable operation of the Waterway in FY 1983, and to its future. Even with the additional funding for dredging included in this "capability" figure, the total dollars budgeted for this critical operational factor will be significantly below average actual requirements over the past three years.

With respect to the need for replacing Oliver Lock, we realize authorization must come via another committee. However, we emphasize this need because the FY 83 budget includes an item of $320,000 to fund the continuation of the study to determine the economic feasibility of the replacement of Oliver Lock, and the correction of problems and removal of constraints in the existing channel resulting from the weather extremes of flooding and draughts over the years.

This $320,000 will not enable the Corps to adequately continue the planning and engineering related to Oliver Lock, which is so important to the efficiency of the Waterway in face of the rapid traffic growth. I am sure the Committee appreciates the difficulty we have all encountered in trying to get good dollar figures to work with, in view of the O and M funds holdback, the changing approaches to implementing cost recovery through user taxes, and the general uncertainty surrounding the budget. However, the additional amount required for FY 83 in the Survey category is thought to be $775,000. It is essential to continue this planning uninterrupted to forestall emergency situations, and the consequent escalations of costs and the attendent loss of both world and domestic markets.

The following is a summary of the funding items which bear on the needs of the Warrior-Tombigbee Waterway, and which we ask the Committee to approve:

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	Additional Capability (Reported by Corps)	$ 2,306,000
	TOTAL REQUIRED	$ 6,027,000
	Surveys (In Budget)	$ 1,000,000

We fully endorse and seek the approval of these items. I as President of the Warrior-Tombigbee Development Association, our other Officers, our Board of Directors and our Members appreciate the consideration the Chairman and Members of this Subcommittee and its Staff have shown us over the years. We ask your support once again.

We are submitting additional written statements of support, representing a cross-section of business, industry and the public.

Thank you for your consideration.

LIST OF WINTESSES

WARRIOR TOMBIGBEE DEVELOPMENT ASSOCIATION

The Honorable Fob James -Governor-Alabama

The Honorable Howell Heflin-Senator-Alabama
The Honorable Jeremiah Denton-Senator-Alabama

The Honorable Bill Dickinson-Member of Congress-Alabama
The Honorable Jack Edwards-Member of Congress-Alabama
The Honorable Ronnie Flippo-Member of Congress-Alabama
The Honorable Bill Nichols-Member of Congress-Alabama
The Honorable Richard Shelby-Member of Congress-Alabama
The Honorable Albert Lee Smith-Member of Congress-Alabama

Mr. Sheldon L. Morgan-Chairman, Warrior-Tombigbee Development Association
Mr. Offa S. Nichols, Jr.-President,Warrior-Tombigbee Development Association
Mr. N. J. Barchie, Jr.-Vice President, Warrior & Gulf Navigation Company-Chickasaw, Alabama
Mr. R. H. Coleman-Vice President, Radcliff Materials, Inc.-Mobile, Alabama

Mr. Richard Dick-Assistant to the President, The Drummond Company-Jasper, Alabama
Dr. Billy Powell-Vice President, Lapeyrouse Grain Company-Mobile, Alabama
Mr. Marrion Rambeau-Director of Industrial Development, Chamber of Commerce, Mobile, Alabama
Mr. Julian Smith-Federal Affairs Coordinator, Alabama Power Company- Birmingham, Alabama
Mr. Walter Stevenson, Jr.-State of Alabama Planning Officer-Montgomery, Alabama

Mr. E. E. Browning, Executive Assistant to Director, Alabama State Docks, Mobile, Alabama

LIST OF SUPPORTING STATEMENTS

WARRIOR-TOMBIGBEE DEVELOPMENT ASSOCIATION

Alabama Electric Cooperative, Inc., Andalusia, Alabama
Alabama Power Company, Birmingham, Alabama
Alabama State Docks Department, Mobile, Alabama
American Commercial Barge Line Company, Harahan, Louisiana
Chicago Bridge & Iron Company, Birmingham, Alabama
Childress Company, Foley, Alabama
Coal Systems, Incorporated, Birmingham, Alabama
Dixie Carriers, Inc., Houston, Texas
Drummond Coal Company, Jasper, Alabama
Findlay Towing Company, Inc., Tuscaloosa, Alabama
Georgia Transporters, Inc., Panama City, Florida
Gulf Power Company, Pensacola, Florida
Harbert International, Birmingham, Alabama
Hunt Oil Company, Dallas, Texas
Lapeyrouse Grain Corporation, Mobile, Alabama
Mississippi Power Copany, Gulfport, Mississippi
Mulga Coal Company, Bessemer, Alabama
Radcliff Materials, Inc., Mobile, Alabama
Southern Company Services, Inc., Birmingham, Alabama
Tom Soya Grain Company, Aliceville, Alabama
Thompson Tractor Company, Inc., Birmingham, Alabama
United States Steel Corporation, Fairfield, Alabama
Jim Walter Resources, Mining Division, Birmingham, Alabama
Warrior & Gulf Navigation Company, Chickasaw, Alabama

STATEMENT OF ROBERT M. HOPE, PRESIDENT, MOBILE AREA CHAMBER OF COMMERCE

We believe that the continuation of the development of the Warrior-Tombigbee Waterway Project is necessary in order that our country might obtain the maximum benefits from the investment already made. We also believe that it has a great impact on the economy, and is sure to continue to do so throughout the State of Alabama, the entire Basin, and regions beyond.

Specifically, we respectfully request your support for the approval of the funds in the budget, as well as approval of additional funds to cover the stated capabilities of the Corps of Engineers. Additionally, we request that provisions be made for additional planning funds to complete the modernization of the Warrior-Tombigbee System by the replacement of the Oliver Lock with a reliable, standard size lock.

Please let us know if we may be of any assistance to you in your effort to obtain funding for this vital waterway system.

STATEMENT OF WILLIAM E. POWELL, LAPEYROUSE GRAIN CORP.

My name is William E. Powell and I am Vice President of Lapeyrouse Grain Corporation. Let me thank you for allowing us the opportunity to testify before this Committee today.

First, in way of background, let me share information about Lapeyrouse Grain Corporation and myself. Lapeyrouse is a Mobile, Alabama based Company that has been in business since 1959, buying soybeans, wheat and corn from farmers in Alabama, Mississippi, Florida and now, in Kentucky and Georgia. This grain is moved from our country elevators by rail, truck and barge to the Alabama State Docks in Mobile for export. We operate our own tugboats and barges along the inland waterway system in Alabama and Florida. We also have a number of lease covered hopper cars for use in rail shipments. Last year over 50% of the local crop that we handled was shipped to Mobile by barge.

I am a native of Alabama, received a Ph. D from Auburn University, located in Auburn, Alabama, and have a family farm fronting on the Tombigbee River just north of Mobile. I was recently elected President of the Alabama Cattlemen's Association and am also serving as 2nd Vice President of the Alabama Grain Dealer's Association.

Lapeyrouse Grain Corporation supports the testimony given by Col. Offa S. Nichols, Jr., President of the Warrior-Tombigbee Development Association. We strongly encourage sufficient funding in the Corps of Engineers budget to insure for the full time operation of the Warrior-Tombigbee System. This is vital to our company and to the thousands of farmers in our trade area.

We operate grain elevators at Tuscaloosa and Rattlesnake Bend on the Warrior River and at Demopolis on the Tombigbee. We move soybeans and wheat from the elevators by barge to Mobile for export. Water transportation is extremely important to the farmers in this area for two major reasons. One, it allows us to move large tonages of grain in a short time which would be virtually impossible to do by truck and rail. Second, this cheaper mode of transportation, allows us to pay the farmer an additional .5 - 15 cents per bushel for his grain.

The need for this waterway system as a method of transporting grain will increase in years to come. The increase will come from increased traffic when the Tennessee-Tombigbee opens and also from additional grain production in this area. The 1981 wheat crop is an example of the potential in the area. In 1981, Alabama farmers produced 24.9 million bushels of wheat valued at $83 million dollars. This was almost a four fold increase over 1980 when 6.6 million bushels worth $25 million dollars was harvested. Much of this expansion was along the Warrior-Tombigbee Waterway and moved to Mobile for export by barge.

It is extremely important to the economy of our entire trade area, that we work to improve the efficiency and the reliability of the Warrior-Tombigbee Waterway System. This will be very critical this year, and in the years to come, as we are already experiencing much more usage of the system that we did just two years ago. This increase in traffic is causing our tugboats to lose from 4 to 8 hours per trip today. These delays are resulting in higher transportation costs and lower prices to the farmer for his grain.

Again, we urge you to support the funding requests made by Col. Nichols.

Thank you.

STATEMENT OF NICHOLAS J. BARCHIE, JR., VICE PRESIDENT AND GENERAL MANAGER, WARRIOR & GULF NAVIGATION CO.

My name is Nicholas J. Barchie, Jr., and I am Vice President and General Manager of Warrior & Gulf Navigation Company, with headquarters located in Chickasaw, Alabama. I personally have been in a managerial position in the waterway industry for the past 19 years, the last 9 of which have been with Warrior & Gulf Navigation Company in the Mobile area.

Warrior & Gulf Navigation Company is a shallow-draft water transportation company which currently operates 21, 1,800 horsepower towboats, and more than 300 barges. Primarily, our transportation is performed on the Black Warrior and Tombigbee River System, but we do provide services from the Mobile area through the intracoastal canal to Florida on the east and Texas on the west. Products transported include various ores and scrap metals for use in the steel making industry, as well as the transportation of finished steel products for distribution throughout the southern part of the country. But, our heaviest volume of shipments is coal, both for export and for domestic consumption, originating in the heartland of the state.

Maintenance of our waterways in a navigable condition is essential to the fulfillment of our mission as a water carrier. The currently proposed cutbacks in the budget of the Corps of Engineers show that the movement by the Federal Government to abdicate its responsibilities in this area has already begun. The proposed reduction of $800,000 for the operating and maintenance budget for Alabama waterways for fiscal year 1983 is more crippling than it appears, since the continually deteriorating lock and dam structures on those waterways will require more, and not less, maintenance.

During the past five years, the Black Warrior & Tombigbee Rivers have had outages that equate to approximately 20 percent of the total navigation time available. Not long ago, the shippers and carriers on that system were led to believe that these problems would be improved. Obviously, the cutback in services by the Corps will ensure that navigability interruptions will increase instead. These service cuts show that the administration has been misled into a willingness to turn its back on one of our nation's greatest resources -- its waterways. If implemented, these proposals would simply destroy the economic viability of many waterways and of the communities and industries which located and invested near those waterways in the belief that the Federal Government would not abandon its responsibility to maintain them.

The budget cutbacks are offered in the name of deficit reduction or budget balancing, but they really represent the potential abandonment of a national asset in which the nation has a substantial capital investment. That investment pays off in tax revenue to the federal treasury from the economic activity which the system fosters in areas which would otherwise stagnate.

Therefore, I submit to you my support for the testimony given by Mr. Offa S. Nichols, Jr. as President of the Warrior-Tombigbee Development Association, which emphasizes the fact that the dollar amounts currently in the Corps of

Engineers' budget do not provide for full time operation of the waterway, nor, do they provide minimum essential funds for dredging. Neither do they provide sufficient planning funds to continue uninterrupted progress toward the replacement of Oliver Lock.

We need approval of the funds in the budget; approval of additional funds to cover the stated "capability", and, the provision of additional planning funds to complete the modernization of the Warrior-Tombigbee System by replacing the small, deteriorated, pre-World War I, Oliver Lock with a reliable, standard size lock.

In conclusion, I urge you to reject the present proposals set forth by the Administration until such time that their impact can be clearly defined and analyzed.

Statement of Theodore Stevenson, General Superintendent, United States Steel Corp.

I would like to take this opportunity to express support of the testimony to be presented to your committee by Mr. Offa S. Nichols, Jr., President of the Warrior Tombigbee Development Association. United States Steel Corporation in Alabama relies very heavily upon the Warrior Tombigbee River System to provide economic means of transportation for our raw materials and products. We feel that it is essential that this system be maintained and operated in a manner to promote the continuing growth in this area.

Our corporation's recent decision to invest heavily in this geographic area was prompted in part by the fact that we do have access to a system for water transportation. This decision will contribute to reducing unemployment in an area currently high in unemployment.

Current plans by United States Steel Corporation call for increased use of the Warrior Tombigbee Waterway System. Our current forecasts are as follows:

	NET TONS/YEAR				
Year	Ore	Coal	Scrap	Finished Products	Total
1982	1,200,000	1,200,000	60,000	100,000	2,660,000
1983	2,300,000	1,400,000	138,000	100,000	3,938,000
1984	2,700,000	1,300,000	174,000	550,000	4,724,000
1985	3,400,000	1,300,000	198,000	550,000	5,448,000
1986	3,700,000	1,300,000	204,000	550,000	5,754,000
1987	3,700,000	1,300,000	204,000	550,000	5,754,000

We feel it is vital to this area that the Warrior Tombigbee River System be properly maintained and expanded. Attempts to reduce funding for this system would be inappropriate.

STATEMENT OF JEROME DRUMMOND, VICE PRESIDENT—TRANSPORTATION, DRUMMOND COAL CO.

My name is Jerome Drummond, and I am the Vice President of Transportation for Drummond Coal Company, located in Jasper, Alabama.

Drummond Coal Company was founded in 1935 by Heman Drummond, who developed his first mine underground near Sipsey, Alabama. It was a drift mine, angling into a hillside from which men dug and mules hauled the bituminous Appalachian coal. Many of Heman Drummond's customers were local people who needed coal for home heat. As his sons grew up, they joined him, and the family opened their first surface mine using small diesel shovels. Almost half a century has passed since Mr. Drummond produced his first ton of coal.

Today, Alabama is a major coal producing and exporting state. Drummond Coal Company is the largest surface coal producer and the largest coal exporter in the southeastern United States, and one of the top twenty non-captive bituminous coal producers in the nation. Drummond serves metallurgical, utility and specialty coal customers on four continents from mines in six counties in north central Alabama. Today the company is a subsidiary of Drummond Company, as is Alabama By-Products Corporation, the nations's largest foundry coke producer.

Drummond Coal Company and its construction arm, Mine Services, Inc., alone presently employ in excess of 2,000 people, with an annual payroll of approximately $56,000,000. Alabama By-Products Corporation employs another 3,500 people with an annual payroll of approximately $105,000,000.

About 85% of the state's coal production, including most of Drummond's, comes from the Warrior Field located in north central Alabama. The Warrior Field, or Warrior Basin as it is also known, is a basin-like geological structure covering more than 3500 square miles and underlying parts of Winston, Marion, Fayette, Tuscaloosa, Cullman, Blount, and Jefferson Counties, and all of Walker County. The field is cut through by the Warrior River system which has led to the development of mines using water transport.

Alabama's system of riverways offers water transport to national and international destinations via the McDuffie Terminal Coal Handling Facility at the year-round Port of Mobile on Alabama's gulf coast. Barging in Alabama is a particularly good way to move coal because of the extent of Alabama's waterways and because of the coal handling facilities available.

The United States exported approximately 110,000,000 tons of coal in 1981, setting a record for exports according to Commerce Department figures. Total coal exports generate 3.5 billion dollars to the nation's economy. Roughly 21% of the nation's coal exported, or approximately 23,000,000 tons, moved by barge. Of this approximately 23,000,000 tons of coal which moved by barge for export in 1981, Drummond Coal Company moved some 6,000,000 tons of this total, or roughly 26% of the coal moved by barge for export.

In 1982, it is projected that Drummond Coal Company will be directly or indirectly responsible for the movement of some 9,000,000 tons of coal by barge. Of this figure, Drummond Coal Company has barge contracts for the movement of 6,000,000 tons of coal, which represents 4,500,000 tons of company production, plus 1,500,000 tons of purchased coal from other producers. Additionally, Drummond is the forwarding agent for approximately 2,500,000 tons of coal mined by the Jim Walter Corporation. Another 500,000 tons of coal sold to the Alabama Power Company is moved by them by barge to various power plants.

Drummond ships this coal from five different coal loading facilities located at various points on the Warrior River system, two of which are company owned and operated. Drummond owns and operates two barge loading facilities located at Milepost 354 on the Warrior River in conjunction with its Kellerman mining operation. One of these barge loading facilities handles the approximate 2,000,000 tons of production at the Kellerman Mine, and the other loading facility was built specifically to handle the 2,500,000 tons production of the Jim Walter Corporation. Scheduled to begin operation in mid-April, 1982, is another company-owned barge loading facility at Milepost 401.5 on the Locust Fork of the Warrior River in conjunction with Drummond's Short Creek operation. This barge loading facility will have the potential to handle approximately 1,500,000 tons a year. Drummond also contracts for the barge loading of approximately 2,000,000 tons a year at Port Birmingham, located at Milepost 399 on the Warrior River. Drummond also contracts for the bargeloading of coal through Port Osborne, located at Milepost 400 on the Warrior River, and also at Port Walker, located at Milepost 421 on the Mulberry Fork of the Warrior River. These last two facilities will handle approximately 1,500,000 tons a year for Drummond Coal Company.

Obviously, reliance upon Alabama's efficient system of waterways has been a very integral part of Drummond Coal Company's planning and operations to date. Availability of an economical and efficient mode of transportation is important to any industry in getting the product to market; however, because of the national and international markets for coal, efficient transportation modes are even more critically important to the coal industry.

This reliance by Drummond Coal Company on the Warrior-Tombigbee System and the Port of Mobile is seriously threatened by the 1983 fiscal year budget proposals for the Corps of Engineers. Reduced operation and maintenance for the Warrior-Tombigbee would be crippling for the coal industry in Alabama. By transporting its high quality coal product by an available and efficient waterway system, Drummond has been able to compete with other coal exporting nations in a successful manner and has contributed to reducing the current national trade deficit. Handicapping the Warrior-Tombigbee River System with reduced operation and maintenance will undoubtedly cause Drummond to lose this competitive edge. We feel that a loss of our competitive position could possibly lead to a reduction in the need for our product. Of course, this would only result in negative impacts on both our employment level and the economy of the region in general.

To date, significant delays are caused in the efficient movement of traffic on the Warrior-Tombigbee System by use of the small, pre-World War II Oliver Lock located on the Warrior River. Because this lock is able to handle only a four barge tow, this necessitates having to break down the barge configuration prior to moving through this lock which, even with a six barge tow, amounts to doubling the lockage time necessary to move through this lock. This one lock alone creates a bottleneck in the orderly flow of traffic on the Warrior-Tombigbee System. Sufficient planning funds to continue uninterrupted progress toward the replacement of Oliver Lock with a reliable standard-sized lock are needed in the fiscal 1983 budget for the Corps of Engineers.

Drummond Coal Company is a member of the Warrior-Tombigbee Development Association. We strongly support the testimony given today by Offa S. Nichols, Jr., President of the Association, and heartily endorse the collective effort of the Association to improve the efficiency and reliability of the Warrior-Tombigbee Waterway. Although traffic on the waterway presently amounts to more than 18,000,000 tons a year, that figure represents only a small percentage of the river's ultimate capacity, given the needed improvements to the Oliver Lock and a continued commitment to a federally constructed and maintained inland waterway system. Certainly, the federal investment in the Warrior-Tombigbee River System has paid dividends many times over with the improved economic development in the area which the Warrior-Tombigbee River System serves.

Statement of J. C. Law, Tuscaloosa Office, Hunt Oil Co.

As a concerned user of the Warrior-Tombigbee Waterway, I would like to state my reasons for supporting this waterway.

Hunt Oil Company is a refinery that produces such products as all grades of gasoline, several types of asphalts, fuel oils and coke. We receive approximately 21,000 tons of crude oil per month and approximately 6,000 tons of vacuum bottoms by barge. We, in turn, barge out approximately 20,000 tons of cracker feed a month. The above tonnage represents millions of dollars in revenue. Our dock facilities, which were first built in 1946, are located on the Black Warrior River near the Oliver Lock and Dam. We may have an expansion in the scope for the Hunt Oil Company, thus producing more products that will need to be barged out or more barged in.

One crucial reason for us needing the waterway is that we make a product called "cracker feed" named so because it is used in catalytic crackers. The only way we have of delivering this product is by the waterways. Fortunately, the refineries that we ship to are all over the intercoastal waterway.

We also receive crude oil from international freighters; first offloaded in Mobile into storage tanks, and then barged to our refinery.

So from the above you can gather how important our waterways are, due to lower costs and energy efficiency, in the operation of our refinery. We express deep concern over any delay or non-approval of these much needed funds. I am

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Statement of J. H. Murphy, Jr., General Manager, Georgia Transporters, Inc.

Georgia Transporters, Inc. would like to be on record that we whole-heartily endorse the testimony which will be given by Offa S. Nichols, Jr., President of The Warrior-Tombigbee Development Association. We ask that you give this testimony serious consideration.

Georgia Transporters, Inc. was formed in 1952 to provide safe and efficient and low-cost transportation in the Gulf Coast area and rivers of Alabama, Florida, and Georgia. In the past ten years we have invested over six million dollars in waterways equipment to provide this service. We provide employment to residents of Alabama, Georgia and Florida with an annual payroll exceeding $475,000.00.

We wish to advise you that the matters before the legislature at this time, specifically the Section 205 Study which has been grossly inaccurate, will tend to destroy the economical transportation that has been afforded this nation.

In addition, the Users Tax on diesel fuel which is scheduled to increase drastically to recover waterways improvements will place an undue burden upon the consumers of our tri-state area. Since the enactment of the Users Tax in October 1980, we have had to pay $25,000.00 tax which we have had to absorb into our operational costs. Further increases in this cost will severally reduce our potential of future services to the tri-state area.

Other matters before the legislature include the reductions to the Army Corps of Engineers, Operations and Maintenance budget, other waterways appropriations bills, and the reduction of the U. S. Coast Guard budget which will necessitate reductions of Coast Guard services which we feel is a step backwards.

It has been our policy to make investments in equipment based on long-term cost recovery and profit, However, we in the industry cannot continue making long-range plans if the government does not respond with an equal amount of long-range optimism to justify this kind of expenditures. It is our belief that the governments' (state and federal) negative attitude toward water resources development which has been inspired by extreme environmentalists and other groups has retarded the development of all waterways systems.

We further feel that the U. S. Congress must resume the roll as policymaker which it has deferred to various federal agencies which have little regard to the economics of water transportation.

I urge you to direct a re-examination of all the waterways budgets and appropriations so that the inland waterways may continue to be the efficient system of transportation which contributes greatly to the national economical vitality which we all seek.

STATEMENT OF CARL A. TORBERT, JR., PRESIDENT, RADCLIFF MATERIALS, INC.

The Warrior-Tombigbee Waterway and the other waterways of Alabama are invaluable life lines to a thriving Port of Mobile and a vibrant growing economy in South Alabama. Offa S. Nichols, Jr., President of the Warrior-Tombigbee Development Association, will present testimony stressing the need for maintaining and enhancing the efficiency and reliability of the Warrior-Tombigbee System as well as the importance of low-cost, energy efficient water transportation to local, national and international trade. We fully support and endorse his testimony.

Radcliff Materials, Inc. is one of the leading producers of construction raw materials and aggregates on the Gulf Coast. We rely extensively on the waterways of Alabama, Florida, Louisiana, Mississippi and Texas for production and delivery of our products. In 1981 we produced and moved via Alabama waterways over one million tons of gravel. We also transported 500,000 tons of limestone and significant quantities of sand, rock, coal and other products. Our projections for 1982 are:

Gravel	1,200,000 tons
Limestone	3,000,000 tons
Sand and Clay	500,000 tons
Miscellaneous	100,000 tons

Radcliff Materials, Inc. operates a fleet of 26 boats, 105 barges and 9 dredges. We maintain a large terminal and handling facility on McDuffie Island in Mobile, Alabama in addition to numerous support facilities throughout South Alabama and the Gulf Coast. We have just completed a $16 million building program of new boats and barges for use in our marine operations.

The maintenance of authorized project dimensions is essential for the efficient, orderly production and delivery of materials throughout the waterway system. In order to provide this capability, it is imperative that the Army Corps of Engineers be provided with the appropriations necessary to continue the maintenance and development of the Warrior-Tombigbee Waterway System as requested in the fiscal year 1983 budget. It is also requested that additional funds be provided to insure that the Corps has the capability and flexibility necessary to maximize the utilization of the Waterway System and Mobile Harbor. Additionally, the provision for planning funds to replace the outmoded Oliver Lock should not be overlooked.

We sincerely appreciate the committee's faith in the future of the great waterway systems of the State of Alabama and welcome its continued support of these vital projects.

STATEMENT OF CHARLES R. LOWMAN, GENERAL MANAGER, ALABAMA ELECTRIC COOPERATIVE, INC.

The collective effort by the Warrior-Tombigbee Development Association to improve the efficiency and reliability of the Warrior-Tombigbee River System is supported by the Alabama Electric Cooperative, Inc. (AEC). This waterway provides a means for transporting coal to produce energy for the electric consumers in our area that is both energy efficient and cost effective.

AEC is a generation and transmission electric cooperative that supplies wholesale power to eighteen distribution cooperatives, four municipalities and two industries in South Alabama and Northwest Florida. These distribution cooperatives and municipalities serve approximately one-half million consumers in the sparsely populated area. Due to the lack of population density in their service area, the costs associated with the distribution of electric energy are substantially greater than in the more heavily populated urban areas of the country. Accordingly, these cooperatives are nonprofit, consumer-owned entities, operating on very slim margins. Thus, it can be readily perceived that anything significantly affecting the cost of generation, transmission or distribution of electric energy is of profound interest and concern to AEC and its member systems.

Presently, AEC has two coal-fired generating plants. The Tombigbee Plant is located near Jackson, Alabama on the Tombigbee River and Southern Railroad and has barge and rail unloading facilities. The McWilliams Plant, a small older plant, is located at Gantt, Alabama on the Conecuh River and Southern Railroad. Unfortunately, the Conecuh River is not navigable and the McWilliams Plant has only rail service. Recently the Southern Railway System has advised they plan to file with the ICC for permission to abandon the tracks that serve the McWilliams Power Plant.

In the 1960's the first 75 MW unit was installed at the Tombigbee Plant. The average burn for this unit was approximately 200,000 tons of coal per year. Again in the 1970's the Tombigbee Plant site was selected for the installation of two 235 MW coal fired units. This is AEC's largest generating plant. The estimated burn for the Tombigbee Plant is 968,000 tons in 1982, 936,000 tons in 1983, 986,000 tons in 1984 and just over a million tons in 1985-1989.

In addition to these facilities, a site has been selected in Choctaw County, Alabama for an additional 1600 MW of coal-fired capacity. This site is located on the Tombigbee River and one of the major factors in the selection of this site was the availability of water transportation.

It is estimated that this plant will burn approximately 2.8 million tons of coal per year. In addition to the coal that will be required it is estimated that 233,000 tons per year of limestone will be needed in conjunction with the sulfur removal equipment (scrubbers). All or a major portion of the coal and limestone that will be used at this new generating plant will possibly be transported by barge on the Warrior/Tombigbee Waterway.

A power requirement study has recently been completed and is being reviewed to determine when the new generation will be required. The best estimate at this time is that it will be needed sometime in the early 1990's.

One of the prime reasons for locating the first unit on the Tombigbee River was the availability of water transportation. Again in the 1970's the availability of water transportation was a prime reason for selecting this site for the two 235 MW units. Once again in the 1980's the availability of water transportation was a predominant factor in the selection of a site on the Tombigbee River for AEC's next fossil fired generating station.

To insure a firm supply of fuel for the two 235 MW units at the Tombigbee Plant AEC purchased approximately 12 million tons of coal reserves in East Tennessee/Kentucky in 1975 and 8 million tons of coal reserves in Northwest Alabama in 1978. The coal from AEC's East Tennessee/Kentucky reserves moves via rail to the Tombigbee Plant. Since the acquisition of these reserves the rail freight rate has escalated from $8.67/ton to $16.68/ton, which represents a 92% increase in six years. AEC has received quotations from barge lines indicating it will be able to move coal from its Tennessee/Kentucky reserves to the Tombigbee Plant via barge at a much lower rate than by rail when the Tenn-Tom becomes operational.

After acquiring the Alabama coal reserves an annual volume rate of $5.25/ton was established in 1979 from Northwest Alabama to AEC's Tombigbee Plant. This rate has escalated to $7.86/ton a 50% increase in three years. The same year AEC secured a barge rate of $3.52/ton from Northwest Alabama to the Tombigbee Plant. This rate has escalated to $4.95/ton a 40% increase in the same period of time (3-years). The current 1.8% waterway users fee has escalated this rate to approximately $5.04/ton which represents another 3%. Even with the 1.8% waterway user fee the barge rate is 7% below the current rail rate.

AEC's 1981 fuel cost was approximately 28 million dollars of which approximately 5 million dollars was transportation cost. The 28 million dollars represented 23% of AEC's operating cost in 1981 with transportation being 4%.

The contract with the towing company that furnishes barge transportation for AEC provides for an increase in the waterway users tax to be passed through to AEC.

AEC is a non-profit cooperative and if increased waterway users taxes are imposed by the Congress AEC will have no choice but to pass the cost on through to its members, who in turn will have to pass them on to their consumer/members. Many of the consumer/members live in sparsely populated areas and are already faced with higher power cost than people who live in the more populated areas of the country.

We request the necessary funds be included in the budget to operate and maintain the Warrior/Tombigbee Waterway at its capability, and provide the planning funds to replace the small, deteriorated Oliver Lock with a reliable, standard size Lock.

LETTER FROM W. G. CARLISLE, TRAFFIC MANAGER, DIXIE CARRIERS, INC.

March 16, 1982

Honorable Mark Hatfield, Chairman
Subcommittee on Appropriations
for Energy & Water Development
United States Senate
Washington, D. C. 20510

Dear Senator Hatfield:

I am writing this letter to you in behalf of Dixie Carriers, Inc. of Houston, Texas. Our company is a diversified barge line providing service to the public in many areas with numerous types of barges available to transport a full range of bulk cargo. We utilize the improved waterways of the midwestern part of the United States. Our particular concern at this time is the Warrior-Tombigbee Waterway.

We wish to support the testimony of Mr. Offa S. Nichols, Jr., President of the Warrior-Tombigbee Development Association. We join the association and the others to request that Congress should continue to improve the efficiency and reliability of this waterway. Moving barges on this waterway is, at times, difficult because of high or low water problems. Continued improvement of navigating conditions is most important for the future in order to insure economic transportation, especially as shipments of energy producing coal escalate. All forms of transportation will be required.

Dixie Carriers has operated on the Warrior-Tombigbee system for many years. We have transported petroleum products, both in bulk and packaged form from Houston, Texas to Birmingham, Alabama on a monthly basis for almost twenty years. Shipments of clean chemicals also move to and from the area as well. We have also moved large quantities of coal from Birmingham to Houston in the past. This year we moved a large supply of coal, from storage, at Houston to Mobile for export.

The limitation of navigation on this waterway cause problems especially during high water periods. Having to use larger towboats to push against the current naturally increases our cost. This is difficult to deal with when making rates because at other times the current is not a great problem and less horsepower may be used. Modern flood control reduces current problems and this certainly affects the rates charged to the shipper. At present, we find that there are times during high water periods when we cannot provide sufficient horsepower and we are forced to remove ourselves from bidding on certain movements.

We hope that long range improvements will continue to improve the Warrior-Tombigbee Waterway.

Sincerely,

DIXIE CARRIERS, INC.

W. G. Carlisle
Traffic Manager

STATEMENT OF T. H. FINDLAY, PRESIDENT, FINDLAY TOWING CO., INC.

Findlay Towing Co., Inc. of Tuscaloosa, Alabama has been engaged in operating barges on the Warrior and Tombigbee Rivers continuously since 1945. The growth of our company was enhanced by and resulted from the improvements to navigation on these rivers. Not only did our company grow and prosper as a direct result of the improvements, but the economy of the areas served by these rivers and the entire State of Alabama has benefited by the opportunity to utilize this river system for inexpensive transportation of many industrial commodities.

It is our view that reducing operating hours on the Warrior-Tombigbee waterway and the failure to continue to upgrade and improve this vital water system will seriously impact job opportunities in this area; it will result in greater cost of energy; and, it will stifle the great economic growth potential for the immediate area, the State of Alabama, and a good portion of Southeastern United States.

This company operates numerous boats and many barges and has approximately 50 employees engaged in moving steam coal from the Warrior basin in Jefferson and Walker Counties to the Greene County and Barry steam plants located in Greene and Mobile Counties, respectively. The movement of steam coal by barge provides the most economical means of transportation which results ultimately to the benefit of both private and industrial consumers. It is beyond question that the inability to move coal economically will result in a reduction in the total work force in the coal mines located in West Alabama. This part of Alabama has an unemployment rate substantially higher than many other areas of the country. We cannot afford to lose additional jobs.

The Warrior-Tombigbee system, by reason of a history of constant upgrading of facilities, has developed into an efficient means of transporting not only coal, but many other industrial commodities at a reasonable rate. Except for the Oliver Dam, located in Tuscaloosa, all other dams on the Warrior-Tombigbee system have been improved to such an extent that barges are permitted to use the locks with a minimum of lost time. Appropriation of funds to enlarge Oliver Dam will complete the necessary improvements to the system of dams on the Warrior River and will greatly enhance the movement of barges.

With the total river system so close to final completion, it would be economically unsound to curtail operating hours. This country can ill afford to reduce the full operating potential of the Warrior-Tombigbee water system. Such reduction would contribute to increased cost of energy, it would contribute toward continued inflation, and such a reduction or withholding of funds for the use of this river would be, in every sense, false economy.

Your efforts in the past to preserve and enhance the Warrior-Tombigbee water system are greatly appreciated. We urge you to continue unrelentlessly in the fight for adequate appropriations to complete the improvement and to permit the full usage of these rivers.

STATEMENT OF JAMES C. LUDWIG, VICE PRESIDENT, SOUTHERN COMPANY SERVICES, INC.

The Warrior-Tombigbee Waterway and Port of Mobile is one of the main transportation arteries by which coal moves to and from electric generating plants within the Southern electric system. The Southern electric system serving the states of Alabama, Georgia, Florida, and Mississippi is primarily a coal based system. The coal for system generation began moving on the Warrior-Tombigbee Waterway in the 1950's and will continue into the next century. This is the basis for our continuing interest in efficiency and reliability of this waterway system.

The System plants, located directly on the Waterway, are Plant Miller at West Jefferson, Alabama, 670 megawatts (with coal loading capability); Plant Gorgas at Gorgas, Alabama, 1,280 megawatts (with coal loading and unloading capability); Plant Greene County at Demopolis, Alabama, 500 megawatts (with coal unloading capability); and Plant Barry at Bucks, Alabama, 1,525 megawatts (with coal unloading capability). Additionally, Plant Crist at Pensacola, Florida; Plant Smith at Panama City, Florida; and Plant Watson at Back Bay Biloxi, Mississippi (all served only by barge) are served by the Waterway via the Port of Mobile and the Gulf Intercoastal Waterway.

The Southern electric system moved in excess of 38,000,000 tons of coal in 1981, with approximately ten percent moving via the Warrior-Tombigbee Waterway. In addition, 800,000 tons of imported coal were received through the Port of Mobile. The low cost, reliable transportation option provided by the Warrior-Tombigbee Waterway obviously has an impact on our customers throughout the system as a result of the Southern electric system power pooling capability. Without the Warrior-Tombigbee Waterway, less efficient, higher cost transportation modes would be required, with the attendant economic effect upon our rate payers, as well as the nearly 29,000 personnel employed by the Southern electric system.

Beyond the affect on Southern electric system rate payers and employees, the approximately 3,500,000 tons of system coal moving on the Warrior-Tombigbee Waterway affect the employment of 14,200 personnel from Alabama Power Company and mines supplying this coal and 425 personnel associated with the barge lines. Additionally, the 347,000 stockholders who invest in the Southern Company will be affected by problems which lessen the reliability and efficiency of the Southern electric system.

The Southern electric system supports the collective efforts of the Warrior-Tombigbee Development Association, on which it has several members, to assure the efficiency and reliability of the Warrior-Tombigbee Waterway. The Southern electric system is vitally interested in the Warrior-Tombigbee Waterway's operation. We have voiced in many forums our need, as well as the public need, that adequate funds be made available to insure proper dredging for the entire length of the Waterway and provision for the funds necessary to replace the pre-World War II Oliver Lock, in order to avoid the costly and unnecessary closures of the waterway which have happened in the past.

LETTER FROM RAYMOND D. LUCAS, VICE PRESIDENT, TOM SOYA GRAIN CO., INC.

March 20, 1982

Honorable Mark Hatfield, Chairman
Subcommittee on Appropriations for
Enery & Water Development
United States Senate
Washington, D. C. 20510

Dear Senator Hatfield,

I am writing this letter to express my support for the Warrior-Tombigbee Waterway, the Port of Mobile, and the Tenn-Tom Waterway systems.

My firm constructed a grain elevator on the new Tenn-Tom waterway in the spring of 1979. The elevator, located near Aliceville, Al was the first to use the river commercially in fifty years or more. We loaded barges with wheat and soybeans for shipment to Mobile and Pascagoula, for export. This elevator was constructed solely because of water transportation. We have increased our tonnage every year since, having shipped some 75,000 tons in 1981. Our investment in this facility is approximately $500,000 and three years of hard work.

We are presently building another elevator on the Tenn-Tom waterway some five miles North of Columbus, Ms. We expect this facility to become operational in June of this year. This elevator will represent an investment of some $750,000 and was constructed by means of an industrial revenue bond issue provided by Clay county, Ms. With this facility we expect to double our tonnage by 1983. It too is solely dependent on water transportation.

Our elevators serve a nine county area, the principal crops of which are soybeans and wheat. The commitment we have made has resulted in a reduction of the cost of transportation, the beneficiary of which has been the farmer. This additional means of transportation has also helped in the harvesting and marketing of the farmer's grain.

We strongly support Mr. Offa Nichols and the Warrior-Tombigbee Development Association in their efforts to improve the river system and thus provide energy efficient transportation of importance to local, national, and international trade.

Respectfully yours,

Raymond D. Lucas, Vice President
Tom Soya Grain

STATEMENT OF EARL B. PARSONS, JR., VICE PRESIDENT—ELECTRIC OPERATIONS, GULF POWER CO.

Gulf Power Company is an investor-owned electric utility and a member of The Southern Company serving a 7,400 square mile area of the Florida panhandle. Our Company utilizes coal for over 95 percent of its total generation requirements within Florida and consumes approximately 2.7 million tons per year. Over 90 per cent of our coal deliveries in Florida are dependent upon waterway transportation.

Gulf Power currently moves approximately 1.2 million tons of coal on the Warrior River and/or through the Port of Mobile. The remainder of Gulf's coal delivered over the national river systems originates from the Southern Illinois Coal Basin vicinity and travels down the Mississippi River through the Port of New Orleans. From the ports of New Orleans and Mobile all waterway deliveries travel via the intercoastal waterway for delivery at our Pensacola and Panama City generating plants.

As you can see from Gulf's dependency on the Warrior River and the Port of Mobile, we wholeheartedly support the need for adequate funding to properly maintain and improve operations. It is imperative that Gulf continue to receive coal shipments in order to provide continued reliable electric service at the most economical cost to our customers.

As proven by our present usage and commitment to Alabama waterways and facilities, we plan to evaluate to the fullest extent possible usage of the Warrior-Tombigbee Waterway for coal originating in the Southern Illinois Basin and to utilize this new waterway system where it is possible and economically in our favor to do so.

In summary, we are in full support of the efforts of the Warrior-Tombigbee Development Association to provide efficient and reliable waterway systems for coal delivery. We feel that it is not only in Gulf Power's interest to support this worthy endeavor, but also in the best interest of our nation to improve our capabilities to transport coal and other commodities from points of origin to market places.

STATEMENT OF JOSEPH M. FARLEY, PRESIDENT, ALABAMA POWER CO.

Alabama Power Company's vital interest in the Warrior-Tombigbee Waterway spans nearly three decades and is expected to continue into the 21st century. Of the nearly 12,000,000 tons of coal received by Alabama Power Company in 1981, twenty-three percent, or more than 2,700,000 tons, were transported via the Warrior-Tombigbee Waterway. Shipments in excess of this level are projected in the future.

Four of Alabama Power Company's seven fossil-fueled electric-generating plants are located on the Warrior-Tombigbee Waterway System. Coal from the Warrior coal field is delivered to Plant Gorgas in Walker County and loaded onto barges for shipment to two generating plants in the southern and central parts of Alabama. The 1,525-megawatt Plant Barry in Mobile County, which began operation in 1954, is supplied primarily by the Warrior-Tombigbee Waterway, as is the 500-megawatt Plant Greene County near Demopolis. Plant Miller in Jefferson County also has barge capability.

Alabama Power has learned, through its extensive experience with the Warrior-Tombigbee Waterway, that thorough planning and maintenance are necessary to avoid expensive and unnecessary outages on the waterway. If adequate funds are not available to maintain the waterway through dredging to full depth and width for its entire length and for replacement of the pre-World War II Oliver Lock, economical and reliable transportation of coal on the Warrior-Tombigbee Waterway could be replaced with less desirable transportation for movements of coal, possibly from other sources.

Any negative impacts on the Warrior-Tombigbee Waterway which increase delivered coal costs will adversely affect all of Alabama Power Company's nearly 1,000,000 customers. If increased transportation costs necessitate changes in coal sources, the mine workers employed by the Alabama coal mines, which supply the 2,700,000 tons moved by barge annually on the Warrior-Tombigbee Waterway to Alabama Power Company, will also be affected.

Alabama Power Company supports the collective effort of the Warrior-Tombigbee Development Association, of which it is a member, to ensure the reliability and efficiency of the Warrior-Tombigbee Waterway.

LETTER FROM WILLIAM CARR, PRESIDENT, JIM WALTER RESOURCES, INC.

March 11, 1982

Honorable Tom Bevill, Chairman
House Subcommittee on Appropriations
for Energy & Water Development
House of Representatives
Washington, D. C. 20515

Dear Representative Bevill:

The purpose of this letter is to show our strong support of the testimony to be given today by Mr. Offa S. Nichols, President of the Warrior-Tombigbee Development Association. The livelihood of the coal industry in our area is really predicated on an efficient waterway from Tuscaloosa to the sea.

Jim Walter Resources, Inc., Mining Division, employing 3,099 people currently, operates six deep coal mines in the Warrior basin of Alabama, two of which are dedicated entirely to export. By 1984, we will increase our tonnage from a current 4.5 million to over 8 million tons per year with our payroll increasing to 4,855 employees. Of that 8, some 5 million will report to the export market. In 1981, over

2 million tons were to be exported, with at least 1.5 million moving down the Black Warrior River to McDuffie Terminal in Mobile. The ability to be able to move our coal expeditiously on this river is essential to the success of our export business.

In order for our coal to compete in world markets, we need to be able to take advantage of the economics of the large ocean carriers, carriers which draw considerably more water than is currently possible at Mobile. We vigorously support the dredging of Mobile channel to 55 feet.

We thank you for this opportunity to add our support to the objectives of the Warrior-Tombigbee Development Association.

STATEMENT OF JUDITH THOMPSON, VICE PRESIDENT—ADMINISTRATION, THOMPSON TRACTOR CO., INC.

As the Caterpillar dealer in north Alabama, Thompson Tractor Company and its 500 employees have a vested interest in the full time operation of the Warrior-Tombigbee Waterway, needed improvements at the Port of Mobile, and modernization of Oliver Lock. The economic impact of improved efficiency and reliability of the Warrior-Tombigbee Waterway is of vital importance to us and the industries we serve.

Specifically, we at Thompson Tractor sell and service material handling equipment and diesel engines for trucks, boats and for both prime power and stand-by applications. Our products and people can be found at work virtually anywhere materials must be moved, from coal to grain to chemicals to manufactured goods.

One of our major markets is the coal industry. Alabama coal producers have been more active in international trade in recent years as foreign markets have been developed. Each year an increasing volume of coal is being loaded in the Warrior River basin and moved via the Warrior-Tombigbee/Mobile River to the state docks. In 1980, 84% of all coal exported through the port arrived by barge shipment; a total of 2493 barges of coal were processed. In addition Alabama Power annually ships by waterway in excess of 4 million tons of coal to be consumed within its system.

Other major Alabama industries served by Thompson Tractor also depend on an efficient and economic system of water transportation. Products such as grain, metallic ores, pulp, paper and paper products and chemicals are commonly shipped via inland waterways to both domestic and foreign destinations.

As export markets for Alabama products continue to grow so does the importance of water transport. And increasing export business is important as it contributes to our international balance of trade and payments.

Obviously, the impact of the efficient operation and improvement of our inland waterway system have far-reaching economic implications for the Alabama economy and particularly the industries we serve. Therefore the continued full time operation of the

Warrior-Tombigbee Waterway is vital to the interest of Thompson Tractor Company. Less than full time efficient waterway operation would seriously impact our economy and could result in even higher unemployment.

In concern for the continued development of the Warrior-Tombigbee Waterway, Thompson Tractor Co., Inc. offers this statement in support of the testimony of Offa S. Nichols, President of the Warrior-Tombigbee Development Association. Realizing that our river system is energy efficient and plays a crucial role in local, national and international trade, we at Thompson Tractor Company pledge cur ongoing support to its continued development.

STATEMENT OF CHARLES W. ADAIR, PRESIDENT, MULGA COAL CO.

I am concerned that the funding for the operation of the Warrior-Tombigbee Waterway and the Port of Mobile may be reduced to an amount that would reduce the operations of the waterway and the port.

Mulga Coal Company operates one underground coal mine and the entire production is exported to Japan. The tonnage from the mine moves down the Warrior-Tombigbee Waterway and is discharged onto McDuffie Island at the Port of Mobile.

We have moved in excess of 500,000 tons per year for the last seven years, and we expect to increase this to over 600,000 tons beginning April 1, 1982.

Due to the increase in the movement of coal from other producers as well as ourselves, we are experiencing a "bottleneck" at the Oliver Lock and Dam which slows the movement of our coal to the Port of Mobile. I request that you keep this in mind as you approve the funds for the study to replace the Oliver Lock and Dam facilities.

In negotiating for the sale of the output of our mine to the Japanese steel industry, it was very important that we have the benefit of water transportation to the Gulf in order for us to compete with coal purchased by the Japanese steel industry from Australia and Canada.

The continued reliable use of the Warrior-Tombigbee Waterway and the Port of Mobile is very important to the future sale of the production of coal from the Mulga Mine, which employees 520 people.

APALACHICOLA, CHATTAHOOCHEE, FLINT WATERWAY

PREPARED STATEMENT

Senator COCHRAN. I understand our last witness this afternoon had to leave—the Tri-Rivers Waterway Development Authority, Judge Ritt McSwean; the past president of the Tri-Rivers Waterway Development Association was here earlier and submitted statements in connection with that project for the record, which will be incorporated at this point.

[The statements follow:]

STATEMENT OF R. H. MCSWEAN, TRI-RIVERS WATERWAY DEVELOPMENT ASSOCIATION

Mr. Chairman, I am R. H. McSwean, immediate past president of Tri-Rivers Waterway Development Association, Dothan, Alabama. Tri-Rivers represents portions of Alabama, Georgia and Florida along the Apalachicola-Chattahoochee-Flint Waterway.

We appreciate the consideration Congressman Bevill and this committee has always shown us at these hearings and the fact that you have never failed to come up with the money to keep the waterway operational.

This is the first time we have come before you faced with the threat of a total cut-off of operations and maintenance funds. We are asking you to restore the funds cut from the Corps of Engineers budget for the ACF waterway and, further, to fund the project to the full Corps capability of $6,763,000.

ACF costs have unquestionably been out of line with those of the older, more developed systems. You realize why the costs run so high, though: The ACF waterway has never been completed. We still do not have provisions in place to sustain the 9 by 100 foot navigation channel authorized by Congress more than 30 years ago.

Stringent permitting requirements in the Florida portion also have driven maintenance costs up. During the past year, however, the Corps of Engineers and the Florida Department of Environmental Regulation have worked together to resolve concerns about a proposal to remove rock hazards from the Apalachicola River. It will cost an estimated $1,268,000 now, in contrast to the $956,000 which you appropriated in 1975 to do the job in all three states.

Private industry and state and local government have expressed their confidence in the ACF project by investing between $3 billion and $4 billion to take advantage of the waterway. Farmers in our area have increased their production dramatically to supply world markets, thereby contributing to America's world trade position. Fifteen years ago, soybeans were virtually unknown in Southwest Georgia, Southeast Alabama and Northwest Florida. Now, counties along the waterway export 10 to 15 million bushels of soybeans annually, only about 2 million bushels of which travel by barge, however, because the low water period in the ACF waterway falls at harvest time. None of the increasing volume of peanuts being exported has moved by barge for the same reason.

The Administration proposal to cut these producers off without the viable waterway Congress promised to them, besides defeating some of our highest national priorities, would violate the rules of fair play.

Failure to maintain the waterway would almost certainly close several important industries. One of them, RYSCO Shipyard at Blountstown, Fla., provides the largest payroll in its county. Another, Continental Carbon Company at Phenix City, Ala., supplies carbon black to tire manufacturers throughout the Southeast. Great Southern Paper Company, which does a big export business, would not close, but it would experience significant increases in fuel costs. Mississippi Chemical Company, a farmers' cooperative, would have to increase fertilizer prices $6 to $18 per ton, depending on the buyer's distance from the existing distribution center. This would place still another burden on already hard-pressed farmers. Even shippers not now using the waterway could expect higher rail rates with the loss of barge transportation as a competitive factor in rate making.

We are asking you, therefore, in the national interest and as reassurance to farmers, manufacturers and distributors who have staked their future on the waterway, to restore to the FY 1983 budget the funds necessary to maintain the ACF waterway to the maximum extent feasible until the system can be completed as promised. That means a total appropriation of $6,763,000. The appropriation we are asking compares with actual expenditures of $5,184,426, in FY 1981, when no special work such as the rock removal was performed.

Thank you.

ATTACHMENT TO TRI-RIVERS TESTIMONY MARCH 19, 1982

COMMENTS ON THE SECTION 205 REPORT ON WATERWAY USER CHARGES

The "205" report presented to Congress by Department of Transportation secretary Drew Lewis in February implies that little would be lost if the Apalachicola-Chattahoochee-Flint (ACF) waterway closed.

Such a conclusion is clearly based on insufficient and inaccurate information. The State of Alabama has contracted for studies which should reveal in some detail the part that barge transportation on the ACF actually plays in the economy of this three-state region. Findings should be available in April.

For the present, here are some comments by river users:

Radcliff Materials, Chattahoochee, Fla., sand and gravel, 45 employees

As the only receiver of sand and gravel on the ACF, manager Niel Atkinson identified Radcliff as the shipper cited on Page 46 as handling "over 250 thousand tons per year." Atkinson said he delivered 447,090 tons in 1977 and that a $4 per ton increase in cost would close down the operation and deprive area highway and road builders of an important source of high grade friction-course material.

Continental Carbon Company, Phenix City (Russell County), Ala., manufacturer of carbon black from oil received by barge, 33 employees

Without barge transportation, supply manager Joe Barlow said, the company would "have to look very closely at whether to keep the plant open." The plant supplies tire manufacturers throughout the Southeast. Russell County now has a 19.2 percent unemployment rate.

RYSCO Shipyard, Blountstown, Fla., builder of ocean-going vessels, 150 employees

Sylvia Gates, office manager and treasurer, said abandonment of the channel would close the plant and eliminate the largest single payroll ($2.5 million) in the county.

Mississippi Chemical Company, fetilizer distribution facilities at Sneads, Fla., and Bainbridge, Ga.

A farmers' cooperative, Mississippi Chemical barges dry fertilizer from Pascagoula, Miss., to Sneads and liquid fertilizer to Bainbridge. Without barge shipment, transportation manager James A. Pierce said, "...delivery costs would drastically escalate. Also, we must realize the capital investment at Sneads would be jeopardized; there would be a need for additional storage capacity at Pascagoula; and delivery service would deteriorate. All this would have a staggering impact on the cost of fertilizers to farmers in that area." Pierce estimated the added cost for liquid fertilizer at $6 per ton. For dry fertilizer, a farmer at Campbellton, Fla., whose price now includes $15.04 per ton for transportation, would pay shipping charges of $23.14 per ton. A farmer at Irwinville, Ga., would see his transportation cost increase from the current $20.45 per ton to $35.37 per ton.

Kaiser Chemical Company, Bainbridge, Ga., fertilizer manufacturer, 289 employees

Kaiser receives a key ingredient, pure liquid ammonia, by specially-built refrigerated barge. Switching to rail, transportation manager Gene Fox said, would add to production costs $500,000 a year in excessive freight charges, which would be passed on to farmers. Modification of existing unloading and storage facilities would cost approximately $400,000.

Lapeyrouse Grain Corporation, Phenix City and Columbia, Ala., and Blountstown, Fla., operators of elevators handling soybeans, corn and wheat

Lapeyrouse stopped trying to ship by barge from its Phenix City elevator three years ago because of channel problems and the availability of good rail service. President George Brothers estimated that switching to all-rail at Columbia would add 10 cents per bushel to transportation cost, which would reduce the price paid to farmers by that amount. Blountstown, however, has no rail service. Brothers said the cost of trucking to Mobile would be prohibitive; he would buy property at Freeport, Fla., and truck from Blountstown to there at an added cost of at least 50 cents per bushel. Blountstown last year handled 1,177,000 bushels and Columbia 913,000 bushels. The company recently spent $1.5 million expanding the Blountstown elevator.

Great Southern Paper Company, Cedar Springs, Ga., paper manufacturer, 1,400 employees

Great Southern receives fuel oil by barge. Transportation manager Reid Smith said the oil (approximately 350,000 barrels annually) would have to be diverted to either rail or truck at substantially higher freight rates. All shippers with the potential for using barges could expect an increase in rail and truck rates, he said, simply because of the loss of the waterway as a competitive factor in rate-making.

These are just the most obvious examples from among 23 facilities actively using the river or built with that intention.

This region is growing agriculturally and industrially. The growth has not been reflected in waterway tonnage largely because the 9 by 100 foot channel authorized in 1946 has never been provided on a dependable basis. Just how much the tonnage would have increased if the authorized channel had been available and what the potential is for greater productivity along the waterway, we cannot say with certainty. We do see favorable indications.

The State-financed studies now underway should provide the authentic data you need for making important decisions. The "205" study clearly does not.

FLORIDA WATER RESOURCE PROJECTS

PREPARED STATEMENT

Senator **COCHRAN**. Because of a scheduling conflict, the Florida Department of Environmental Regulation could not be present today.

So, if there is no objection, I want to include their full statement and letters from Senator Chiles in the record at this point.

[The statement follows:]

LETTERS FROM SENATOR LAWTON CHILES

April 9, 1982

The Honorable Mark Hatfield
Chairman
Subcomimttee on Energy and Water Development
Senate Committee on Appropriations
United States Senate
Washington, D.C.

Dear Mr. Chairman:

I am writing today concerning funding for Florida's public works projects for Fiscal Year 1983. As in prior years, the Subcommittee invited the Florida Department of Environmental Regulation, the agency charged with the administration, supervision, development and conservation of the natural resources of the State, to present testimony on behalf of its unified public works request. In the past I have had the opportunity to introduce the Secretary of the Department and express my support for the State's public works package. This year, however, the Secretary was unable to be in Washington on the date scheduled for Florida's testimony.

It is my understanding you have received the States' unified request for Fiscal Year 1983 funding. I wanted to be sure you were aware of my strong support for the State's package and to ask your consideration of the States' request for this Fiscal Year.

With kind regards, I am

Most sincerely,

LAWTON CHILES

April 9, 1982

The Honorable Mark Hatfield
Chairman
Subcommittee on Energy and Water Development
Senate Committee on Appropriations
United States Senate
Washington, D. C.

Dear Mr. Chairman:

On March 30, the Subcommittee received testimony from Florida officials concerning the unified public works request for Fiscal Year 1983. I have been contacted by the Southwest Florida Water Management District with information relating to the Four River Basins Project.

On their request, I am forwarding copies of their statement concerning this project. I would appreciate your seeing that this statement is entered into the public hearing record.

Thank you for your assistance in this regard and with kind regards, I am

Most sincerely,

LAWTON CHILES

STATEMENT OF BRUCE A. SAMSON, CHAIRMAN, SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

SUMMARY

The Four River Basins project is a vital flood control project located in southwest Florida. The local sponsor is requesting $4.6 million for construction in Fiscal Year 1983. With this amount, the final stages of construction on the Tampa Bypass Canal will be completed and construction will continue on the multiple-use aspects of the Lower Hillsborough Flood Detention Area that will allow extensive public access to the property for the first time.

STATEMENT BY BRUCE A. SAMSON, CHAIRMAN, SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

Mr. Chairman, The Four River Basins, Florida project provides badly needed flood protection for the densely populated Tampa Bay area. Since the project was initially authorized 20 years ago, the population of this area has increased dramatically as thousands of people move to Florida each week. Important as the project was when it was conceived in 1961, its successful completion is much more vital today if we are to fulfill our responsibility to protect both residents and property from the devastation of another hurricane.

We respectfully request that you support an appropriation of approximately $4.6 million for The Four River Basins project for Fiscal Year 1983.

Mr. Chairman, members of the Sub-Committee, on behalf of the Board of Governors of the Southwest Florida Water Management District and the people who will be greatly served by this critically important project, I want to thank you for your support in previous years and for the opportunity today to seek continuance of that support in Fiscal Year 1983.

FISCAL YEAR 1983 FUNDING STATUS
FOUR RIVER BASINS

Amount Requested	$4,600,000
Corps' Capability	$4,600,000
President's Budget	$4,600,000

STATEMENT OF VICTORIA J. TSCHINKEL, SECRETARY, FLORIDA DEPARTMENT OF ENVIRONMENTAL REGULATIONS

Mr. Chairman and members of the Subcommittee, I am Vicki Tschinkel, Secretary of the Florida Department of Environmental Regulation. I am pleased to be representing the State of Florida today as I present our Fiscal Year 1983 Florida Program for Water Resources Development. Governor Graham strongly supports this unified program, and it has been thoroughly reviewed by the State Resource Management Clearinghouse. Our program is summarized in a booklet that provides cost data, project descriptions, project justifications, and location maps for each of the projects composing the program. I am submitting copies of this booklet and my summary statement for the record.

Included in the Fiscal Year 1983 program are 6 flood control, 15 navigation, and 9 beach erosion control projects, either construction or general investigation studies. Also included are 5 study projects in the area of environmental restoration and enhancement, as well as 1 new continuing authority study request. The total request for Florida's Public Works Program is $71,199,000 and includes a request for continued funding of the aquatic plant control program in Florida.

In the category of flood control, the Central and Southern Florida Flood Control project and the Four River Basins Project are, by far, our largest. Both projects incorporate works in the State's two largest urban areas where adequate water resources must be developed to keep pace with continued growth and expansion. Full funding at the levels indicated is necessary to meet program needs. The drought management aspects of these projects should be stressed in light of the extreme droughts we are experiencing in Central and South Florida.

The $11.0 million request for the Central and Southern Florida Flood Control Project includes funding for construction in the Nicodemus Slough area to allow raising of Lake Okeechobee. This would reduce environmentally damaging and wasteful flood releases. This project request also includes funding to initiate the recommended alternative(s) for the Upper St. Johns River Basin should the GDM and

EIS documents be favorably reviewed. The St. Johns River Water Management District is the local sponsor of this portion of the project and has been developing a range of alternatives to deal with the complex problems in this basin. These alternatives have stressed the importance of non-structural solutions to water management problems and are designed to include consideration of the value of wetlands and other environmentally sensitive areas. Benefits attributed to such an approach include enhanced water quality, recreation opportunities, fish and wildlife propagation, and agricultural land protection. Reestablishment of seasonal flooding would greatly enhance the ability of the marsh systems to cleanse the river.

The $4.6 million requested for the Four River Basins project are needed to continue multi-purpose development of the Lower Hillsborough Wilderness Park and Lower Hillsborough Flood Detention Area and to remove Shoals from the Tampa Bypass Canal. This project is providing flood protection and water supplies for the Tampa Metropolitan Area. As a byproduct, 16,000 acres of wetlands and other ecologically valuable lands are being preserved for multiple uses.

Several water management studies are included in Florida's request. The Central and Southern Florida Water Supply Study is addressing problems where detailed planning is required to realize full water resource management benefits. This is particularly important in a time of extreme water shortage in South Florida. The Funds requested for the St. Marys River and the Suwannee River Basin Studies will allow study efforts that will provide much needed information on which to base rational steps to preserve and protect these major rivers.

In the area of navigation, Florida has requested FY 83 construction funds for 5 major projects. The $183 million project for deepening Tampa Harbor to 43 feet is a major component of this program. With over 42 million tons of cargo moving through the facilities annually, this is Florida's largest port and handles more phosphate shipping than any other harbor in the world. Funds are also requested for preconstruction planning for the deepening of Jacksonville Harbor. This project will provide adequate depths for deep draft ships utilizing the facilities there. Projects at Port Manatee, Port Canaveral, and Ft. Pierce are also included in the State's program. Funding would allow advanced engineering and design for all three projects as well as construction at Port Canaveral.

Continuing funding is also requested for navigation feasibility studies including Gulf Coast Passes, Jupiter Inlet, Mexico Beach Inlet, Miami Harbor, Port Boca Grande and Palm Beach Harbor. In addition, there are several requests for new studies, including Clearwater Spoil Disposal, Escambia River Channel, and Port Sutton. A special request is made for an investigation to evaluate realignment of the Tampa Harbor Channel seaward of the Sunshine Sykway Bridge. Thirty-five people were killed in 1980 when a ship in a storm collided with the bridge, collapsing one of its two main spans.

Beach erosion is a serious problem in Florida. We have more miles of coastline than any other state except Alaska. While beaches are recognized as dynamic systems constantly undergoing change, natural erosion from littoral currents and destructive storms has been severely aggravated by encroachment on the shoreline by development and, ironically, by previous attempts to alter these erosional and depositional processes. Fortunately, Florida's program to establish standards and limitations for coastal construction is achieving beneficial results. However, the damage that has already been done must be corrected in order to provide protection from storm damages and to restore adequate recreational beaches for the millions of tourists who visit Florida each year.

Florida's request for FY 83 funds contains 8 major beach erosion control construction projects. These beaches are located at 2 locations in Dade County, at Panama City in Bay County, in Broward County, Indian River County, Lee County, Monroe County and Palm Beach County. We urge your support for all of these beach nourishment projects at the levels requested.

Our recommendation also includes 1 authorized and ongoing beach erosion control study in Flagler County.

One of our major goals is to broaden the scope of Federal participation in water resources development projects to include the restoration and enhancement of water resources under severe environmental stress. Funds are requested to continue 4 previously funded efforts and to initiate 1 new study in FY 83 which fall within the category of environmental restoration and enhancement. These environmental restoration and enhancement studies are particularly important to Florida. They provide the opportunity to correct previously destructive practices that threaten water and related resources in a state that depends directly on maintaining high environmental quality. We are one of the fastest growing states and increasing demands will be placed on the very resources that bring many of the new residents and tourists to our state.

For the Kissimmee River Valley, the Florida Legislature has requested that alternatives be examined for restoring this river, which was channelized during the 1960's for flood control purposes. Wetlands destruction resulting from the channelization, and increased development stimulated by drainage, have had an adverse effect on the water quality and general ecological stability of Lake Okeechobee. That lake serves directly and indirectly as the major source of drinking water for millions of residents and tourists in South Florida.

The Golden Gate Estates redevelopment study would explore the feasibility of redistributing water over an area which has been overdrained by improper land development. This will serve to restore marshlands, revitalize sports and commercial fisheries, and increase the area's depleted surface and groundwater supplies.

Funds for the continuation of the study of the Six Mile Cypress Strand, near Ft. Myers, will be used to examine means of restoring and preserving this area so that it can act as a natural buffer between the Ft. Myers Urban Area and a regional airport. This proposal has been developed with full input by local citizens who have passed a referendum authorizing new taxes upon themselves in order to assist this restoration effort. Additional funds are requested for continuing the study of Biscayne Bay in Dade County. This study would evaluate the cumulative impacts of previous Federal construction activities in and around the bay and suggest possible solutions to Bay problems. The study in the Little Econ River Valley, should it be authorized, would assist responsible management agencies in their attempts to restore floodplain functions and develop appropriate flood control alternatives in this heavily urbanized watershed.

Though the Six Mile Cypress Strand, Biscayne Bay and Golden Gate Estates Studies are authorized and previously funded, no funds were included for them in President Reagan's budget. We urge you to correct this situation.

The final funding request includes a new study for a Corps continuing authority navigation project in the Upper St. Johns River and funds to continue the State's removal and control of aquatic plants.

Also included in our program is an appendix which contains a resolution by Florida's Governor and Cabinet recommending deauthorization of the Cross Florida Barge Canal and Federal participation in restoring a portion of the already constructed works. The Florida Legislature will consider means of reimbursing affected property owners for certain rights-of-way previously purchased, should the Congress act to deauthorize this project. Finally, the booklet contains a statement on nonstructural water management previously submitted by Governor Graham to the Senate Subcommittee on Water Resources.

In relation to projects associated with floodprone areas, it is becoming increasingly apparent in Florida that non-structural approaches to floodplain management, where feasible, offer many advantages. By this I refer to floodplain zoning, acquisition of wetlands and floodplains, and other flood damage prevention measures. Non-structural floodplain management programs, in addition to preventing flood damage, serve to maintain environmental quality and conserve energy which would otherwise be required to construct and maintain public works.

In this light, we would like for Congress to give high priority to H.R. 5311, introduced by Congressman Charles Bennett. Currently, Federal law provides for 80% funds for both non-structural and structural alternatives for new flood damage prevention projects, but many authorizations for existing projects require the local sponsor to provide 100% of the land acquisition costs. These laws also require that acquisition be limited to areas inundated by anticipated floods and do not normally include acquisitions to preserve upstream wetlands or other natural areas for retarding or reducing downstream flows. This creates a bias toward structural solutions by making such projects initially less expensive for the State and local sponsor than non-structural solutions requiring land acquisition, and makes it difficult to re-design existing projects to more adequately consider non-structural alternatives. Greater participation by the Federal Government in land acquisition and management programs in a cost sharing arrangement, similar to the present 80/20 formula for authorized structural projects would help eliminate this bias. Congressman Bennett's proposal would solve at least part of this problem.

We believe that Florida has taken the lead in programs for wise management of our natural resources. Our recently enacted "Save Our Rivers" legislation will allow us to purchase water management lands of vital importance to water supply, water quality and to fish and wildlife. Similarly, a "Save Our Coasts" program may allow us to provide barrier islands with badly needed protection.

Lastly, we are aware of the current efforts to balance the federal budget and it is apparent that certain program areas will be cut back in order to accomplish this. President Reagan's budget has proposed reducing funding for Florida Projects by more than $10 million below FY 1982 appropriations.

It is important to point out that the program which the State is presenting today represents what we consider to be our basic needs. In order to be included in our final program, projects must undergo an extensive review process by interested State and local agencies within Florida. We would urge you to bear this in mind as you consider areas to reduce spending. Should further clarification of the State's needs be necessary, please feel free to get in touch with us. Thank you.

FY 83 PUBLIC WORKS PROGRAM

Project	President's Budget	Corps Capability	State of Florida Request
FLOOD CONTROL			
Construction			
Central and Southern Florida	$11,000,000*	$11,000,000*	$9,500,000*
Four River Basins	4,600,000	4,600,000	4,600,000
Upper St. Johns	--	--	1,500,000*
Studies			
Central and Southern Florida Water Supply	500,000	500,000	500,000
St. Marys River	--	--	1,500,000
Suwannee River	530,000	530,000	530,000
NAVIGATION			
Construction			
Ft. Pierce Harbor	--	--	200,000
Jacksonville Harbor	--	--	200,000
Port Canaveral	1,000,000	1,000,000	1,000,000
Port Manatee	240,000	240,000	240,000
Tampa Harbor	27,500,000	27,500,000	27,500,000
Studies			
Clearwater Spoil Disposal	--	--	100,000
Escambia River Channel	0	110,000	110,000
Gulf Coast Passes	220,000	220,000	220,000
Jupiter Inlet	0	50,000	50,000
Mexico Beach Inlet	0	110,000	110,000
Miami Harbor	150,000	150,000	150,000
Port Boca Grande	45,000	45,000	45,000
Port of Palm Beach	90,000	90,000	90,000
Port Sutton	0	50,000	50,000
Tampa Harbor Channel (Skyway Bridge)	--	--	100,000
BEACH EROSION CONTROL			
Construction			
Broward County	--	--	4,930,000
Captiva Island	--	--	1,000,000
Dade County	2,200,000	2,200,000	2,200,000
Dade County Haulover Beach Park North	260,000	260,000	260,000
Indian River County	0	130,000	130,000
Monroe County	--	--	2,800,000
Palm Beach County	--	--	4,810,000
Panama City Beaches	0	1,000,000	1,000,000
Studies			
Flagler County	--	--	90,000
ENVIRONMENTAL ENHANCEMENT			
Studies			
Biscayne Bay	0	230,000	230,000
Golden Gate Estates	0	240,000	240,000
Kissimmee River	253,000	372,000	372,000
Little Econ River Valley	--	--	50,000
Six Mile Cypress	0	150,000	150,000
CONTINUING AUTHORITY AND RECREATION			
St. Johns River West Channel			5,000
AQUATIC WEED CONTROL PROGRAM			4,637,000
		TOTAL REQUEST	$71,199,000

*Funding for the Upper St. Johns Project would be included in the appropriation for the overall Central and Southern Florida Project. Therefore, the total request for the Central and Southern Florida Project is $11,000,000.

STATEMENT OF THE FLORIDA DEPARTMENT OF ENVIRONMENTAL REGULATION

FLOOD CONTROL PROJECTS

Construction

Central and Southern Florida

Four River Basins

Upper St. Johns

Studies

Central and Southern Florida Water Supply

St. Marys River

Suwannee River

Central and Southern Florida Flood Control Project (Construction)

Estimated Federal Cost	$740,000,000
Estimated Non-Federal Cost	359,000,000
Federal Funds Through FY 82	260,956,000
President's Budget FY 83	11,000,000
Corps Stated Capabilities FY 83	11,000,000
State of Florida Request FY 83	11,000,000
Benefit-Cost Ratio: 5.0:1	

Project Sponsor: South Florida Water Management District

Project Description:

The Central and Southern Florida Flood Control Project (C&SFFCP) is a massive system of water control works first authorized by Congress in 1947. The project area encompasses approximately 17,930 square miles over all or parts of 16 counties. Included in the project are a series of levees, canals, water conservation areas, control structures and similar works designed to provide optimum conservation, management, and use of water resources. Authorized facilities include 39 pumping stations, 180 control and diversion structures, 850 miles of levees, 870 miles of canals, 25 navigation locks, and 58 railroad relocations.

The project components planned for construction during FY 83 include: (1) raising the level of Lake Okeechobee, including proposed modifications in the Nicodemus Slough area involving the construction of a levee (L-51) to protect agriculturally developed lands south of the slough, as well as construction of the Port Myaca Breakwater; and (2) miscellaneous construction including replacing control structures on C-51 with a new automatic control structure, protecting a railroad bridge, and working on the Buttonwood Structure in Everglades National Park.

Project Justification:

In the first half of this century, heavy seasonal rains combined on several occasions with the passage of hurricanes to cause extensive long-lasting flooding in South Florida. The C&SFFCP was the result of Federal and State responses to this flooding. The area also experiences periodic severe droughts, and the project includes increased storage and conservation of water and improved distribution of water throughout the project area. This expansion has acquired greater importance as a result of the extreme droughts of 1971 and 1981.

The population of South Florida continues to grow dramatically, and the potential benefits of both flood control and water conservation in the project area are increasing accordingly. The C&SFFCP is capable of providing the water management so badly needed by South Florida.

Four River Basins Project
(Construction)

Estimated Federal Cost	$186,000,000
Estimated Non-Federal Cost	114,100,000
Federal Funds Through FY 82	65,671,000
President's Budget FY 83	4,600,000
Corps Stated Capabilities FY 83	4,600,000
State of Florida Request FY 83	4,600,000

Benefit-Cost Ratio: 1.9:1

Project Sponsor: Southwest Florida Water Management District

Project Description:

The Four River Basins Project area covers 6,000 square miles in 14 counties of central and southwest Florida. The genesis of the project was three large floods in the west-central Florida area in 1959 and 1960, each flooding vast areas and causing extensive damage. The project has already provided substantial flood protection for west-central Florida.

The FY 83 funding request is for monies to continue work on the Lower Hillsborough Wilderness Park within the Lower Hillsborough Flood Detention Area and to remove construction-related shoals in the Tampa Bypass Canal.

Project Justification:

The Lower Hillsborough Wilderness Park makes innovative use of one of the project's flood detention areas. It will provide valuable recreation opportunities to the Tampa Bay area without conflicting with the detention area's primary purpose. Removal of the shoals in the Tampa Bypass Canal will allow the canal to operate at design capacity and reduce potential flood damages in Tampa.

Upper St. Johns River Basin Project
(Construction)

Estimated Federal Cost	Historical cost figures for this project are included in the Central and Southern Florida Flood Control Project
Estimated Non-Federal Cost	
Federal Funds Through FY 82	
President's Budget FY 83	
Corps Stated Capabilities FY 83	
State of Florida Request FY 83	$1,500,000

Project Sponsor: St. Johns River Water Management District

Project Description:

The project area in the Upper St. Johns River Basin in east central Florida encompasses some 2,000 square miles and consists of some 60 contributary subbasins. The previous overall Upper St. Johns Project Plan prepared in 1974 was unacceptable to the State, primarily for environmental reasons. The Corps of Engineers has since entered into an agreement with the local sponsor, the St. Johns River Water Management District (SJRWMD), to replan the project. A plan developed by the SJRWMD was adopted by its Governing Board on October 15, 1980, and then transmitted to the Corps for consideration.

The Corps of Engineers presently intends to develop a draft General Design Memorandum (GDM) and Environmental Impact Statement (EIS) for the project. The funding requested for FY 83 would allow this detailed planning to continue. In addition, the funding would allow proposed modifications to L-73, a portion of the project completed prior to 1974, should the GDM and EIS be favorably reviewed in time.

Project Justification:

In the upper basin and downstream areas of the St. Johns, a lack of water during the dry season causes water quality problems and reduces wildlife values. This project would be designed to augment low flow conditions as necessary to help alleviate this problem. Flood control benefits and water supply benefits will principally accrue to the Upper St. Johns River Basin. However, partially regulated river stages and, therefore, flood control and water supply benefits, will be realized downstream of the project area. Water quality benefits and, therefore, diminished aquatic weed problems, will extend downstream from the project area as well. Fish and wildlife and public recreation benefits will be available to the resident and non-resident citizens of the State at large.

Central and Southern Florida Water Supply
(Study)

Estimated Federal Cost	$2,174,000
Estimated Non-Federal Cost	0
Federal Funds Through FY 82	1,267,100
President's Budget FY 83	500,000
Corps Stated Capabilities FY 83	500,000
State of Florida Request FY 83	500,000

Project Sponsor: South Florida Water Management District

Project History:

The ultimate purpose of this study is to develop alternative sources of water supply for use in south central Florida in order to augment the supply presently being furnished by the Central and Southern Florida Flood Control Project. The requested FY 83 funding would allow completion of the study. Some of this funding would be for a study of a specific augmentation program concerning deep aquifer storage and retrieval of stormwater runoff.

Project Justification:

Research and planning concerning the concept of deep aquifer storage and retrieval have reached the point where large scale experimentation is required. The results of studies to date, which indicate the potential for recovering significant quantities of water and potentially high efficiencies in comparison to other alternatives being investigated, are sufficiently encouraging to warrant engineering cost and feasibility studies as proposed under this project.

Current drought conditions, the worst since 1972, have brought into sharp focus the importance of this project. Population growth projections are consistent in forecasting continued increases. This will place an unacceptable stress on water supply systems in South Florida unless alternate sources of potable water are developed.

St. Marys River Basin Floodplain
(Study)

Estimated Federal Cost	$2,000,000
Estimated Non-Federal Cost	0
Federal Funds Through FY 82	0
President's Budget FY 83	0
Corps Stated Capabilities FY 83	0
State of Florida Request FY 83	1,500,000

Project Sponsor: St. Johns River Water Management District

Project Description:

The St. Johns River Water Management District has proposed a study to provide information necessary for proper floodplain management in the project area. The St. Marys River forms, for most of its length, the northeastern boundary of the State of Florida and drains about 1500 square miles. About 540 square miles of the basin are in Georgia.

The District hopes to obtain a wide variety of useful information from the study including compilation of existing data, identification of subbasin boundaries, delineation of floodways, topographic mapping of the floodplain, and the creation of a basinwide hydrologic model. This information will enable the District to develop a hydrologic model helpful in defining the hydrologic, hydraulic, economic and environmental characteristics of the St. Marys River floodplain under existing and future conditions.

Project Justification:

This study would significantly improve water resource planning and management in the St. Marys River basin. The basin would benefit from the first water resource baseline study ever undertaken in it, and any future problems may be prevented. The hydrology of the river system would be better understood and management of the basin would be improved. Flood damages could be reduced and human lives saved. Also, environmental changes such as structural modification in the drainage system may be minimized by using the information gained in the study.

Suwannee River Basin Survey
(Study)

Estimated Federal Cost	$1,572,000
Estimated Non-Federal Cost	0
Federal Funds Through FY 82	50,000
President's Budget FY 83	530,000
Corps Stated Capabilities FY 83	530,000
State of Florida Request FY 83	530,000

Project Sponsor: Suwannee River Water Management District

Project Description:

This study will be part of a comprehensive program of floodplain management on the Suwannee River. The goal is to develop specific programs to minimize flood damages by using nonstructural methods. The requested funds will be used to develop and implement programs designed to protect recharge areas, protect surface and groundwater uses for water supply, irrigation, and pollution abatement, and to maximize environmental quality for fish and wildlife propagation. The study will also investigate programs on scenic quality, recreation, and small boat navigation for the Suwannee and its tributaries.

Project Justification:

Three floods of 100-year magnitude have occurred on the Suwannee over the past 35 years, and the 100-year flood level has been exceeded on about 50% of the river floodplain at least once since 1947. The Suwannee River Basin is projected to be one of the fastest growing areas of Florida, but floodplain management in the basin has historically been fragmented. All involved parties agree that identification, protection, and management of the river and its associated resources are essential. This study would contribute substantially to those goals. The study will help provide information needed to adequately protect the river and its floodplain resources. The study needs to progress without further delay due to increasing development pressure in the basin.

NAVIGATION

Construction

Ft. Pierce Harbor

Jacksonville Harbor

Port Manatee

Port Canaveral

Tampa Harbor

Studies

Clearwater Spoil Disposal

Escambia River Channel

Gulf Coast Passes

Jupiter Inlet

Mexico Beach Inlet

Miami Harbor

Port Boca Grande

Port of Palm Beach

Port Sutton

Tampa Harbor Channel (Skyway Bridge)

Fort Pierce Harbor
(Construction)

Estimated Federal Cost	To be determined
Estimated Non-Federal Cost	To be determined
Federal Funds Through FY 82	$ 0
President's Budget FY 83	0
Corps Stated Capabilities FY 83	0
State of Florida Request FY 83	200,000

Project Sponsor: Fort Pierce Port and Airport Authority

Project Description:

The Fort Pierce Harbor Navigation Study is presently being conducted by the Corps of Engineers to determine the feasibility of deepening the access channel and harbor from the present depth of 25 feet to either a 32, 36, or 40 foot depth. The existing channel is 3.5 miles long and 25 feet deep and extends from the Atlantic Ocean through Fort Pierce Inlet across the Indian River and the inland waterway and terminates at Fort Pierce with a turning basin in front of the city docks. Also included in the project is the maintenance of two jetties and shore revetments at the inlet. The ongoing feasibility study will determine if there is a favorable benefit-cost ratio and, if so, which depth (32, 36, or 40 feet) will produce the most favorable ratio. The requested FY 83 funding would be used to begin preparation of a General Design Memorandum and an Environmental Impact Statement.

Project Justification:

The present 25 foot depth of the channel and turning basin severely limits the size of the ships that can use the harbor. The Reconnaissance Report (Stage I) indicated that improvements of the harbor allowing the use of larger ships may permit the harbor to be competitive with other deep-draft ports on the east coast. The prospective traffic for the deeper harbor would consist largely of the commodities, products and manufactured products which are grown, produced, manufactured and/or consumed within the service area. The increased tonnage would result in the creation of jobs and in the reduction of transportation costs.

Jacksonville Harbor
(Construction)

Estimated Federal Cost	To be determined
Estimated Non-Federal Cost	To be determined
Federal Funds Through FY 82	$ 0
President's Budget FY 83	0
Corps Stated Capabilities FY 83	0
State of Florida Request FY 83	200,000

Project Sponsor: Jacksonville Port Authority

Project Description:

The project area encompasses Jacksonville Harbor, located in northeast Florida on the Atlantic coast approximately 125 miles south of Savannah, Georgia, and approximately 150 miles north of Canaveral Harbor, Florida. The harbor extends inland along the St. Johns River from the ocean to the railroad drawbridge at Jacksonville, a distance of approximately 26.8 miles. The existing federal harbor project has various authorized widths and depths. It begins with a 42-foot-deep channel in the Atlantic Ocean, then a 40-foot depth between the jetties, a 38-foot depth to mile 20 via Dame Point-Fulton Cutoff, and widths ranging from 400 feet to 1200 feet. From mile 20 to Commodore Point, the authorized depth is 34 feet and from Commodore Point upriver to the railroad bridge the depth is 30 feet. The authorized project also includes a 30-foot-deep and 300-foot-wide channel in Arlington Cut and the old river channel on the north side of Blount Island. Blount Island, at mile 11, and Tallyrand, at mile 20, are the two major port terminal areas. The former has 3,550 feet of usable wharf and handles container cargo while the latter has 4,160 feet of wharf and is a general cargo facility. The feasibility study, not yet completed, is considering three possible channel deepenings - to 40, 42, and 44 feet. The requested FY 83 funding would allow the preparation of the General Design Memorandum and Environmental Impact Statement to begin.

Project Justification:

The Port Authority anticipates numerous benefits resulting from project implementation including increased trade, lower unemployment, a larger tax base, and a higher standard of living. The final feasibility study report will address these areas.

Port Canaveral
(Construction)

Estimated Federal Cost	$23,000,000
Estimated Non-Federal Cost	1,198,000
Federal Funds Through FY 82	5,962,000
President's Budget FY 83	1,000,000
Corps Stated Capabilities FY 83	1,000,000
State of Florida Request FY 83	1,000,000
Benefit-Cost Ratio:	To be determined

Project Sponsor: Canaveral Port Authority

Project Description:

This is a feasibility study of dredging a previously authorized channel and turning basin to 31 feet. Port Canaveral is located on the east central coast of Florida approximately 150 miles south of Jacksonville. The project was originally authorized by Congress in 1962. A detailed design study for a 31-foot-deep westward channel extension was done in 1972, and the port authority determined that the design study would serve the port's immediate needs and that no construction was needed at that time. Thus, the uncompleted portion of the authorized project was placed in an "inactive" category. In May, 1980, the port authority formally indicated to the Corps that completion of the originally authorized (1962) project was now needed and desired. The first step required was an economic restudy to evaluate the feasibility of constructing a western turning basin 2000 x 2000 feet and 31 feet deep and dredging 2000 feet of entrance channel to 31 feet. The Corps is now conducting that restudy as part of a General Design Memorandum and is also preparing an Environmental Impact Statement. Should those documents be completed and favorably reviewed in time, project construction could begin in FY 83.

Project Justification:

Port Canaveral has become an important energy port providing facilities for low cost ocean transportation of bunker fuel for the area's electric power plants and for the import and export of bulk commodities such as cement, newsprint, salt, citrus concentrate, frozen fish, and scrap metal. The port's business is growing along with the unprecedented growth of the Central Florida region. As of now, all piers at the port are fully utilized or committed to projects under development, and there is no room for expansion for deep draft ship operations. The requested 31-foot-deep channel between the central and western turning basins and the 31-foot-deep western turning basin are needed as soon as possible to allow for this needed expansion. With completion of the project, the port would gain berthing space for ships along nearly 7,000 feet of bulkhead, ultimately more than doubling the usable space for deep draft ships.

Port Manatee
(Construction)

Estimated Federal Cost	$6,500,000
Estimated Non-Federal Cost	2,500,000
Federal Funds Through FY 82	65,000
President's Budget FY 83	240,000
Corps Stated Capabilities FY 83	240,000
State of Florida Request FY 83	240,000
Benefit-Cost Ratio: 9.3:1	

Project Sponsor: Manatee County Port Authority

Project Description:

The Manatee Harbor Project is a proposal for federal assumption of maintenance dredging of the existing navigation channel constructed by the Manatee County Port Authority in 1969-71. The proposed plan involves both removal of materials deposited in the channel since its construction and new construction at both ends to improve the safety of navigation. The channel dimensions would be 40 feet deep at Mean Low Water (the same as originally constructed by the Port Authority) plus two feet allowable overdredge. Total channel length would be 3.0 miles, extending from the Port facilities to the main Tampa Harbor Channel. The northwest end of the Manatee Harbor Channel would intersect the main Tampa Harbor Channel in an expanded "widener." The second part of the new work in the proposal is at the Port end of the channel where the existing turning basin would be expanded by 6.6 acres.

The project includes an attempt to mitigate the environmental damage done by dredging. Ten acres of an existing above-water spoil island would be lowered to -2 feet Mean Low Water to compensate for the destruction of 6.6 acres of vegetated shallow bay bottom by the construction of the enlarged turning basin. Vegetation planting is not planned, but the Corps of Engineers believes that the lowered area will revegetate itself naturally.

Project Justification:

The Feasibility Report and the Environmental Impact Statement for the proposed project were published in 1979 and assumption of the project was recommended. The Port of Manatee now serves the local area both for oil imports and for phosphate exports. In the future, if the Tampa Electric Company (TECO) sites an 800 megawatt coal-burning plant just north of the Port, as is described in the TECO ten-year site plan, the Port may also become a significant coal importer.

Tampa Harbor: Main Channel
(Construction)

Estimated Federal Cost	$185,000,000
Estimated Non-Federal Cost	4,442,000
Federal Funds Through FY 82	122,470,000
President's Budget FY 83	27,500,000
Corps Stated Capabilities FY 83	27,500,000
State of Florida Request FY 83	27,500,000

Benefit-Cost Ratio: 1.8:1

Project Sponsor: Tampa Port Authority

Project Description:

The authorized project provides for deepening and enlarging channels in Tampa Bay from the Gulf of Mexico to Upper Hillsborough and adjacent areas including: enlarging the existing entrance channel across Egmont Bay to a depth of 45 feet and a width of 700 feet; enlarging existing Mullet Key Cut Channel to a depth of 43 feet and a width of 600 feet; enlarging existing Tampa Bay Channel to a depth of 43 feet and a width of 500 feet; enlarging existing Hillsborough Bay Channel to a depth of 43 feet and a width of 500 feet to the junction with Port Sutton entrance channel, and thence deepening to 41 feet at the existing width of 400 feet to the junction with Seddon and Sparkman Channels; enlarging existing Port Sutton Turning Basin to a depth of 43 feet; deepening existing Sparkman Channel to 41 feet; deepening existing Ybor Channel to a depth of 39 feet; enlarging the existing turning basin at the entrance to Ybor Channel to a depth of 41 feet; deepening existing Port Tampa Channel to a depth of 41 feet; deepening the existing Port Tampa Turning Basin to 41 feet; providing an entrance channel in East Bay at a depth of 43 feet; providing an approach channel in East Bay at a depth of 43 feet; and maintaining Port Sutton terminal channel at a depth of 43 feet. The requested FY 83 funding would allow this large, complex project to progress on schedule.

Project Justification:

Benefits accrue from the lower costs of transporting goods in more economical deeper-draft vessels. For Tampa Harbor, approximately eighty percent of this benefit is attributed to cheaper shipments of phosphate ore and products. Tampa Harbor is the nation's eighth largest port in terms of tonnage, and fourth in terms of exports.

Clearwater Spoil Disposal Study
(Study)

Estimated Federal Cost	$250,000
Estimated Non-Federal Cost	0
Federal Funds Through FY 82	0
President's Budget FY 83	0
Corps Stated Capabilities FY 83	0
State of Florida Request FY 83	100,000

Project Sponsor: City of Clearwater, Florida

Project History:

The Clearwater Spoil Disposal Study would evaluate alternatives for spoil disposal from maintenance dredging in the Clearwater area. Clearwater is located on the west central coast of Florida in Pinellas County. Pressures for maintenance dredging will increase as the population of the area grows. Among the existing and possible future sources of spoil are: (1) maintenance of the authorized Intracoastal Waterway; (2) access to Dunedin Pass; (3) access to the new Sand Key Coast Guard Station; (4) maintenance of public marina facilities; (5) maintenance of private marina facilities; and (6) restoration of residential finger canal water quality and navigation. Based on current knowledge, such projects will not produce beach quality material. Among the spoil disposal alternatives to be considered are: (1) use of new or existing spoil islands; (2) offshore or upland disposal; (3) creation of a marine marsh to restore lost marine ecosystems; and (4) creation of mangrove islands on city-owned bottoms.

Project Justification:

Pressure is increasing for the City of Clearwater to undertake and maintain a number of dredge and fill projects, and there is considerable disagreement over the quality of the proposed dredge material. Undoubtedly, some of it is not suitable for open water disposal, but some of it might be suitable for beach restoration. All the proposed sites for dredging should be inventoried and the sediments classified according to their physical and chemical properties. With the expected population growth in this already highly populated area, a search for environmentally sound solutions to Clearwater's maintenance dredging problem is badly needed.

Escambia River Channel
(Study)

Estimated Federal Cost	$300,000
Estimated Non-Federal Cost	0
Federal Funds Through FY 82	0
President's Budget FY 83	0
Corps Stated Capabilities FY 83	110,000
State of Florida Request FY 83	110,000

Project Sponsor: Escambia County

Project Description:

The Escambia River enters Escambia Bay approximately ten miles northeast of Pensacola. The Escambia River Channel is heavily used for barge transportation to and from an electrical utility plant and a textile manufacturing plant. The channel has an authorized depth of ten feet, but due to siltation and shoaling, the channel depth is quickly reduced following maintenance dredging. Barge traffic is then impeded. This study would evaluate the feasibility of deepening the channel sufficiently to remedy this problem.

Project Justification:

Approximately 150 barges use the Escambia River Channel each month. Immediately following maintenance dredging, the channel depth (ten feet) is adequate for these barges. However, the last maintenance dredging was completed less than two years ago and siltation and shoaling are already impeding barge traffic. This study could identify solutions to this problem.

Gulf Coast Passes Navigation Improvement
(Study)

Estimated Federal Cost	$465,000
Estimated Non-Federal Cost	0
Federal Funds Through FY 82	245,000
President's Budget FY 83	220,000
Corps Stated Capabilities FY 83	220,000
State of Florida Request FY 83	220,000

Project Sponsor: West Coast Inland Navigation District

Project Description:

This project is to continue a study of the feasibility of incorporating six Gulf Coast passes into the existing Intracoastal Waterway. By Congressional request a seventh pass, Midnight Pass, was added to the study. The FY 83 request is for a Congressional appropriation to complete the study, begun by the Corps of Engineers in 1978, to consider designating Stump Pass, Longboat Pass, Big Sarasota Pass, Dunedin Pass, Hurricane Pass, and (by Congressional request) Midnight Pass as integral components of the Intracoastal Waterway System. The study should determine the practicability of maintaining these passes at -9 feet Mean Low Water to enable small pleasure and commercial boats access to and from the Gulf of Mexico and to provide a source of beach nourishment material for eroded beaches in the area.

Project Justification:

Incorporating these passes into the Intracoastal Waterway would help insure consistency of navigation aids (buoys, signs, charts, etc.) and would be of great assistance to boaters, particularly those from out of state or otherwise unfamiliar with local waters. In addition, many of the beaches in this area are eroding. Beach nourishment could be a valuable by-product of this proposed project.

Jupiter Inlet
(Study)

Estimated Federal Cost	$293,000
Estimated Non-Federal Cost	0
Federal Funds Through FY 82	0
President's Budget FY 83	0
Corps Stated Capabilities FY 83	50,000
State of Florida Request FY 83	50,000

Project Sponsor: Jupiter Inlet District

Project Description:

The proposed study is to evaluate the feasibility of providing a federal navigation project at Jupiter Inlet to permit small boat navigation from the Loxahatchee River to the Atlantic Ocean. FY 83 funds will be used to continue the study. Jupiter Inlet, a natural inlet, is located in northern Palm Beach County on the southeast coast of Florida. The inlet is not maintained and its use is currently limited only to boaters with knowledge of local conditions. Principal difficulties at the inlet result from inadequate depths across a bar at its entrance. During periods of low tide or high seas, passage over the bar is extremely hazardous, if not impossible. In the past 20 years, approximately ten people have been killed in boating accidents at the inlet.

Project Justification:

The project would directly benefit the commercial fishermen and pleasure boaters in the area by lessening the risk of loss of life and property. It will also bring an increase in business to the marine oriented businesses of the area and increase tourism.

Mexico Beach Inlet
(Study)

Estimated Federal Cost	$170,000
Estimated Non-Federal Cost	0
Federal Funds Through FY 82	51,050
President's Budget FY 83	0
Corps Stated Capabilities FY 83	110,000
State of Florida Request FY 83	110,000

Project Sponsor: Town of Mexico Beach, Florida

Project Description:

This is a feasibility study for a navigation/beach renourishment project in Mexico Beach. The study primarily would evaluate alternatives for modifying the entrance to a canal so that navigation into and from the canal would be enhanced. The study would also evaluate the possible use of spoil taken from the canal to renourish adjacent beaches. Mexico Beach is located on the coast of Bay County, approximately 20 miles southeast of Panama City. The canal in question is not associated with a natural inlet and is approximately 50 feet wide, 4,000 feet long, and 8 feet deep. Total traffic through the canal entrance exceeds 20,000 passages per year, but during periods of high waves, littoral drift material is deposited at the mouth of the canal. This reduces, and at times eliminates, boating traffic into and from the canal.

Project Justification:

The economy of the Mexico Beach area is almost totally tourist-dependent, and tourists come to Mexico Beach for basically two activities, fishing (mostly from boats) in the Gulf of Mexico and beach-related recreation. Fishermen (and other boaters) using the three marinas located along the canal in question generate a significant portion of Mexico Beach's revenues. When the canal inlet is closed, most of this boating-generated revenue is lost. In addition, many boaters who would otherwise visit Mexico Beach go elsewhere due to the uncertainty of passage to and from the canal.

A channel maintenance project at Mexico Beach could have other important benefits. Redesign of the jetty at the mouth of the canal could reduce or eliminate the jetty's contributions to erosion of adjacent beaches. In addition, suitable spoil material from the canal could be used to renourish these beaches. Lastly, safe refuge could be provided for boats during storm conditions.

Miami Harbor Channel
(Study)

Estimated Federal Cost	$330,000
Estimated Non-Federal Cost	0
Federal Funds Through FY 82	75,000
President's Budget FY 83	150,000
Corps Stated Capabilities FY 83	150,000
State of Florida Request FY 83	150,000

Project Sponsor: Metropolitan Dade County Seaport Department

Project Description:

The proposed project is a study of the navigation problems associated with the present configuration of Miami Harbor. The specific problems to be addressed are the possible hazards presented by a 60 degree turn in the offshore access channel, the constriction of the main ship channel in Government Cut from 500 feet to 400 feet, and the existing 1600-foot-diameter turning basin. The bend in the access channel may present a safety and navigation problem which would be increasing as larger ships use the Miami Harbor more frequently. Due to the bend, the channel can only be used for one-way traffic, and several groundings of large vessels have occurred over the past few years. The constriction of the ship channel inside Government Cut causes a navigational hazard from strong tides and currents. The main turning basin presents problems to ships over 1,000 feet long in positioning and in dealing with tides, currents and winds while turning. There is also a need to modify the existing Government Cut jetty system to reduce rip tides in the main channel.

Project Justification:

Projected benefits would include a reduction in delays in navigating the access channel, a reduction of the need for tug services in the access channel and turning basin, and an increase in the safety of the harbor, particularly for larger ships.

Port Boca Grande
(Study)

Estimated Federal Cost	$418,000
Estimated Non-Federal Cost	0
Federal Funds Through FY 82	6,000
President's Budget FY 83	45,000
Corps Stated Capabilities FY 83	45,000
State of Florida Request FY 83	45,000

Project Sponsor: Lee County Port Authority

Project Description:

This port on the southwest coast of Florida is on the southern end of Gasparilla Island and is readily accessible to open water. The port is about 70 miles south of the entrance to Tampa Bay and 150 miles north of Key West. Entrance to Port Boca Grande is through Boca Grande Pass between La Costa and Gasparilla Islands. The channel continues eastward 6.5 miles into Charlotte Harbor, then turns north. Boca Grande is a naturally deep inlet and is maintained by the Corps of Engineers at a 32-foot depth by 300-foot width. The channel across Charlotte Harbor is maintained at 12 feet. This study is an evaluation of possible improvement of existing facilities up to Gasparilla Island.

Project Justification:

Port Boca Grande is one of very few ports in Florida with a naturally deep entrance channel. It is also the port nearest the fastest growing region of Florida, the Fort Myers area. The port has a potential, if carefully developed, to lower transportation costs for a number of commodities essential to the southwest Florida area. Any study must, however, take special care to protect Charlotte Harbor's natural environment. The Harbor is a State Aquatic Preserve and an important fishing area. The local sponsor has assured the State that this study would be closely coordinated with the efforts of the Charlotte Harbor Resource Planning and Management Committee. This committee was established by the Governor to devise a management scheme for the Charlotte Harbor area.

Port of Palm Beach
(Study)

Estimated Federal Cost	$170,000
Estimated Non-Federal Cost	0
Federal Funds Through FY 82	35,000
President's Budget FY 83	90,000
Corps Stated Capabilities FY 83	90,000
State of Florida Request FY 83	90,000

Project Sponsor: Port of Palm Beach District

Project Description:

Palm Beach is located on the southeast coast of Florida, approximately 65 miles north of Miami. The port is only 1.3 miles from the open sea. In 1976, the port, with its own funds, constructed a 25-foot-deep turning basin extension to the north of a federally maintained turning basin. The port is now requesting that this extension be included under federal maintenance dredging. The extension is an irregular polygon with a maximum width of about 1,475 feet. Maintenance dredging is necessary on an approximately annual basis. This study was authorized by Congress in May, 1979, and the local sponsor has now expanded the request to include a feasibility study of an extension of the existing turning basin to the south. Such an extension would involve dredging an area approximately 400 feet x 1200 feet to a depth of 33 feet. The requested FY 83 funding would be to continue the study.

Project Justification:

The continued development of the port is necessary to provide the services demanded by the rapid growth of Palm Beach County. The port paid for the northern basin extension with its own funds, and this study will determine if federal assumption of maintenance dredging of that extension is economically feasible.

Port Sutton
(Study)

Estimated Federal Cost	$200,000
Estimated Non-Federal Cost	0
Federal Funds Through FY 82	0
President's Budget FY 83	0
Corps Stated Capabilities FY 83	50,000
State of Florida Request FY 83	50,000

Project Sponsor: Tampa Port Authority

Project Description:

Port Sutton is a privately-owned part of the Tampa Harbor complex. The Port Sutton Channel was originally scheduled for deepening and enlarging under the Tampa Harbor Project. In 1970, however, Port Sutton decided to pay for the dredging necessary to deepen and enlarge Port Sutton Channel to 43 feet and 200 feet, respectively. This decision was made so that completion of the dredging could be hastened. Port Sutton has since decided not to do this dredging, and the Tampa Port Authority is now requesting a study of the feasibility of federal dredging.

Project Justification:

Deep draft vessels cannot navigate the Port Sutton Channel at its present depth. Several terminals along the channel could accomodate deep draft vessels, and this study would evaluate the feasibility of federal dredging of the channel.

Tampa Harbor Channel (Skyway Bridge)
(Study)

Estimated Federal Cost	$250,000
Estimated Non-Federal Cost	0
Federal Funds Through FY 82	0
President's Budget FY 83	0
Corps Stated Capabilities FY 83	0
State of Florida Request FY 83	100,000

Project Sponsor: Tampa Port Authority

Project Description:

This proposed study would evaluate the need for a realignment of the Tampa Harbor Channel near the Sunshine Skyway Bridge. Ships entering Tampa Harbor must negotiate a bend in the harbor channel located approximately three-fourths of a mile to the west (the seaward side) of the bridge. This bend has been criticized by maritime officials and others and may have contributed to two major shipping disasters. The study was included in Florida's FY 82 Final Public Works Program, but circumstances have not allowed any funding to materialize, and the necessary Congressional authorization for the study has not been obtained. Thus, the FY 83 funding request is for $100,000 for the first year of the study.

Project Justification:

In terms of total annual tonnage, Tampa Harbor is the nation's eighth ranking port. In terms of annual foreign exports, the port ranks fourth. The Tampa Bay Pilots Association, the Florida Engineering Society, and ship captains have all indicated a need to realign Tampa Harbor Channel so that ships are not forced to negotiate a turn so close to the Sunshine Skyway Bridge. This turn may have seriously influenced the course of the Summit Venture, a freighter that collided with the bridge in 1980 with a resultant loss of more than 30 lives and one span of the bridge. The turn is also in the area where in 1979 the Coast Guard Cutter Blackthorn collided with another ship in what became the Coast Guard's worst peacetime disaster.

BEACH EROSION CONTROL PROJECTS

Construction

Broward County

Captiva Island

Dade County

Dade County Haulover Beach Park North

Indian River County

Monroe County

Palm Beach County

Panama City Beaches

Studies

Flagler County

Beach Erosion Control and Storm Protection Project
Segment II Broward County
(Construction)

Estimated Federal Cost	$ 9,500,000
Estimated Non-Federal Cost	(Total Project) 16,200,000
Federal Funds Through FY 82	6,253,100
President's Budget FY 83	0
Corps Stated Capabilities FY 83	To be determined
State of Florida Request FY 83	4,930,000
Benefit-Cost Ratio: 4.6:1	

Project Sponsor: Erosion Preservation District, Environmental Quality Control Board, Broward County

Project Description:

This request is for a beach nourishment project extending from the north side of Hillsboro Inlet to the south border of Lauderdale-By-The-Sea, a distance of 5.34 miles. This is a segment of a larger project that extends to the south to Port Everglades Inlet. The project area was identified by the Corps of Engineers as an area experiencing critical erosion in the 1963 Beach Erosion Control Hillsboro Inlet Navigation Report. The county has conducted three similar beach nourishment projects which were considered economically and environmentally acceptable. The construction phase of this project would consist of dredging and transporting sand from an offshore borrow area to nourish the shoreline. An area previously nourished in 1970 would also be renourished.

Project Justification:

The project is consistent with the segments of the overall nourishment plan that have been completed. The barrier will protect a major highway (A1A) and other structures from erosion and undermining, and reduce or eliminate maintenance costs for structures designed to provide protection from storms. The addition to the beach area will provide enhanced and additional recreational areas for residents as well as for tourists who comprise a major source of income for the area.

Captiva Island Beach Nourishment
(Construction)

Estimated Federal Cost	$1,000,000
Estimated Non-Federal Cost	3,485,000
Federal Funds Through FY 82	0
President's Budget FY 83	0
Corps Stated Capabilities FY 83	To be determined
State of Florida Request FY 83	1,000,000

Project Sponsor: Captiva Erosion Prevention District

Project Description:

This project is for reimbursement of beach restoration costs for 3.0 miles of a renourishment project on Captiva Island. The restored beach would be approximately 100 feet wide and would be constructed in two phases by local interests in accordance with the overall Federal Beach Erosion Control Study for Lee County completed by the Corps of Engineers in 1969. Federal reimbursement funds are being requested only for the second phase of the project (3.0 miles of the 4.7 mile total).

Phase I encompasses the northern one-third of Captiva Island, approximately 1.7 miles in length, and is being financed solely by property owners of South Seas Plantation. All design and engineering for this phase of the project have been completed and a municipal services taxing unit has been established by the Lee County Board of County Commissioners to finance construction of the project. Phase II of the project involves the remaining two-thirds of Captiva Island beaches, approximately 3.0 miles in length.

Project Justification:

In 1969, at the request of the Lee County Commission, the Corps prepared a study on beach erosion in Lee County. The study reported that the beaches were severely eroded and recommended a federal beach erosion control project. Over 700 feet of shoreline have been lost since 1906, with more than 39 feet lost in one year. This project, by renourishing the beach area, would protect upland property and a road that provides the only land access and emergency evacuation route for the area. Additional public recreation area would also be provided.

Dade County Beach Erosion Control
and Hurricane Protection Project
(Construction)

Estimated Federal Cost	$44,900,000
Estimated Non-Federal Cost	37,705,000
Federal Funds Through FY 82	33,239,000
President's Budget FY 83	2,200,000
Corps Stated Capabilities FY 83	2,200,000
State of Florida Request FY 83	2,200,000
Benefit-Cost Ratio: 7.3:1	

Project Sponsor: Metropolitan Dade County

Project Description:

This project provides beach erosion control and hurricane surge protection for portions of Miami's beaches. The project involves the pumping of 14 million cubic yards of material to form a protective and recreational beach and protective dune for 9.3 miles of shoreline between Government Cut on the south and Bakers Haulover on the north. This shoreline is adjacent to Miami Beach, Surfside, and Bal Harbour Village. Beach erosion control (at Haulover Beach Park) will involve the placement of an additional 0.3 million cubic yards of dredged material along the northerly 1.2 miles of shoreline. Project construction has been divided into five phases, and has been proceeding southward from Haulover Beach. Funding through FY 82 will complete Phase V and 1.2 miles of renourishment at Haulover Beach Park. Funding requested for FY 83 would be used for periodic renourishment of the project as necessary.

Project Justification:

The project is providing beach erosion control and hurricane surge protection for beaches of great economic importance. Dade County's beaches provide badly needed recreational opportunities for the densely populated coastal sections of the County. In addition, the beaches are extremely important tourist attractions, and the economy of the area would suffer significantly if the beaches were not preserved and improved.

Dade County Beach Erosion Control and Hurricane Protection Project
North of Haulover Beach Park
(Construction)

Estimated Federal Cost	To be determined
Estimated Non-Federal Cost	To be determined
Federal Funds Through FY 82	$ 50,000
President's Budget FY 83	260,000
Corps Stated Capabilities FY 83	260,000
State of Florida Request FY 83	260,000

Project Sponsor: Metropolitan Dade County

Project Description:

This project is for construction of the alternative to be selected as a result of a Corps of Engineers Stage III Study of beach erosion problems in the project area. The Corps recently published an intermediate Stage II report, and presented several structural and non-structural alternatives to be analyzed further during the Stage III Study. When completed, the final Stage III Report will identify a selected plan to be forwarded to the Chief of Engineers for approval and to Congress for construction authorization. The requested FY 83 funding would allow the preparation of a General Design Memorandum and an Environmental Impact Statement to begin.

Project Justification:

Wind, waves, and tides amplified during storm conditions have caused erosion and lowering of the beach profiles and recession of the shoreline in the project area. At a large number of locations, erosion has undermined or threatened to undermine shorefront structures. Valuable property has been lost and some seawalls are under direct wave attack. A beach erosion project could provide hurricane surge protection and beach erosion control to the area as well as meet recreational requirements of the region.

Indian River County Beach Nourishment
(Construction)

Estimated Federal Cost	$2,300,000
Estimated Non-Federal Cost	2,300,000
Federal Funds Through FY 82	0
President's Budget FY 83	0
Corps Stated Capabilities FY 83	130,000
State of Florida Request FY 83	130,000
Benefit-Cost Ratio: 2.8:1	

Project Sponsor: City of Vero Beach
Florida Department of Natural Resources

Project Description:

This is a beach nourishment project in two separate areas, one fronting the City of Vero Beach and the other at Sebastian Inlet State Park. Indian River County is acting as local sponsor for the former and the Florida Department of Natural Resources for the latter. The Corps of Engineers feasibility report for the project was completed in 1980, and the plan recommended by the Corps involves placing fill along almost the entire shore of Sebastian Inlet Park, a distance of 1.68 miles. The recommended plan for the Vero Beach area involves 1.74 miles of beach fill. The local sponsor is requesting funds only for the Vero Beach segment. The requested FY 83 funding would allow the preparation of a General Design Memorandum and Environmental Impact Statement to begin.

Project Justification:

The project is intended to restore public recreation and flood damage prevention to an area of severely-eroded beaches. The Sebastian Inlet State Park segment is completely open for public use, and the Vero Beach segment appears to have adequate public access. Benefits to be derived from beach nourishment in this area include increased recreational space, prevention of storm damage to private and public property, and the reduction of the need for structures designed to afford protection from storms (seawalls, revetments, groins, and bulkheads).

Monroe County Beach Erosion Control
(Construction)

Estimated Federal Cost	$2,800,000
Estimated Non-Federal Cost	2,800,000
Federal Funds Through FY 82	0
President's Budget FY 83	0
Corps Stated Capabilities FY 83	To be determined
State of Florida Request FY 83	2,800,000

Project Sponsor: City of Key West

Project Description:

This request is for funding to initiate construction for beach erosion control in Key West. The selected plan in a feasibility report issued by the Corps of Engineers in June, 1979, was for construction of 6,400 feet of beach. The project would also include filling of a 1,500-foot by 800-foot by 7-foot-deep hole east of Smathers Beach and several smaller low areas, and the deferred construction of three groins. Material for fill would be mined from the Great Bahama Bank, transported to Key West by barge, and trucked to the project site.

Project Justification:

The projected benefits for the project include $47,000 in average annual erosion damage prevention and $1,067,000 in average annual recreation benefits. Average annual costs are projected as $496,900. The local sponsor identifies the favorable results of the project as the provision of "additional beach width as an erosion control measure which would assure continuation of beach recreation, associated development and land use patterns. With proper regulatory guides, the considered plan would contribute favorably to desirable regional and community growth." Beneficiaries of the project have been identified as the immediate adjacent beachfront and upland property owners, beach users in the local tributary area, and tourists.

Palm Beach County Beach Restoration
(Construction)

Estimated Federal Cost	$ 4,810,000
Estimated Non-Federal Cost	(Total Project) 21,100,000
Federal Funds Through FY 82	1,830,834
President's Budget FY 83	0
Corps Stated Capabilities FY 83	To be determined
State of Florida Request FY 83	4,810,000
Benefit-Cost Ratio: 1.7:1	

Project Sponsor: Palm Beach County Board of County Commissioners

Project Description:

This request is for construction of a segment of the county's ongoing overall beach restoration plan. This segment is a 2.6 mile length of shoreline from a point 300 feet south of the South Lake Worth Inlet to the south Briny Breezes city limit. A General Design Memorandum was completed by the Corps of Engineers in 1961 and is currently being updated. An Environmental Impact Statement is also being prepared by the Corps.

Project Justification:

The publication *Recreation and Open Space Plan: Inventory and Analysis Phase I* by the Area Planning Board of Palm Beach County recommends this beach restoration and erosion control project. Palm Beach County resolutions also endorse the project, and it is consistent with other segments of the overall county beach nourishment plan. The barrier would protect a major highway (A1A) and other structures from erosion and undermining and reduce or eliminate maintenance costs for structures designed to provide protection from storms. The nourishment of the beach area would provide enhanced and additional recreational areas for the residents and tourists who comprise a major source of income for the area.

Panama City Beaches Erosion Control and Hurricane Protection
(Construction)

Estimated Federal Cost	$40,921,000
Estimated Non-Federal Cost	18,482,000
Federal Funds Through FY 82	0
President's Budget FY 83	0
Corps Stated Capabilities FY 83	1,000,000
State of Florida Request FY 83	1,000,000
Benefit-Cost Ratio: 3.5:1	

Project Sponsor: Bay County Board of County Commissioners

Project Description:

This project is designed to provide beach restoration and hurricane protection for 18.5 miles of Panama City beaches. This project is located in Bay County in the Florida panhandle. The total recreational beach width would be about 110 feet. Public and private access would be provided by 290 dune bridges. The plan also includes revegetation along the beach line, parking, sanitary facilities and periodic beach nourishment. The requested FY 83 funding would allow the preparation of a General Design Memorandum and an Environmental Impact Statement to begin.

Project Justification:

The Panama City beaches are the most heavily used beaches in the Florida panhandle. The beach area is known as the "Miracle Strip", and is very extensively developed. The project area is periodically battered and flooded by hurricanes, tropical storms, and other severe weather conditions which significantly erode the beaches and cause damage to coastal construction. Hurricane Eloise struck Panama City in 1975 and caused more than $80,000,000 in property damage along the beaches in the project area. Overall, the trend in the project area has been one of gradual and consistent erosion. The Panama City Beaches Project could reverse this trend and also provide badly needed storm protection for an area of great economic importance. The project's local sponsor, the Bay County Board of County Commissioners, expects the total annual visitation to the project area beaches to increase from 5.6 million in 1970 to 33.6 million in 2030. The beaches in their currently eroded condition simply do not provide the space necessary to accommodate this massive increase in visitation. The proposed project would help alleviate this problem.

Flagler County Beach Erosion Control
(Study)

Estimated Federal Cost	$160,000
Estimated Non-Federal Cost	0
Federal Funds Through FY 82	70,000
President's Budget FY 83	0
Corps Stated Capabilities FY 83	To be determined
State of Florida Request FY 83	90,000

Project Sponsor: City of Flagler Beach

Project Description:

This study was initiated to assess the condition and erosion problems of the beaches along the shores of Flagler County and to develop appropriate recommendations and corrective, restoration measures where necessary. The study area encompasses the entire 18 mile Atlantic Ocean shoreline of Flagler County and includes Palm Coast, Beverly Beach, Painters Hill, Marineland, Flagler Beach, and two state parks. The most erosive forces affecting the beach-front generally occur as the result of storms in the Atlantic. Particularly severe storms have affected Flagler County beaches about six times in the last 55 years, causing considerable erosion.

Although much of the shoreline area presently is not developed, a massive residential community (ITT Palm Coast) is being designed and constructed in the northern part of the county where U.S. A1A turns inland. In order to protect this beach area, the study will provide a comprehensive analysis of the pertinent coastal processes and provide technical assistance to Flagler County for the development of a local coastal zone management plan. Alternatives for management of that coastal zone will be developed to allow prudent development without the need for costly structural protection projects. FY 1983 funds would be used to continue the study into the development of alternatives stage.

Project Justification:

The primary benefit of the study is that it will increase the amount of technical data on the erosion and storm damage processes of the Flagler County coastline. This information and the alternatives designed by the Corps can then be used by local governments to guide planned development of the coastal area and adjacent uplands. The results of this study would provide necessary data for such a comprehensive approach to damage prevention.

ENVIRONMENTAL RESTORATION AND ENHANCEMENT

Studies

Biscayne Bay

Golden Gate Estates

Kissimmee River

Little Econ River Valley

Six Mile Cypress

Biscayne Bay Survey Review
(Study)

Estimated Federal Cost	$2,306,000
Estimated Non-Federal Cost	0
Federal Funds Through FY 82	100,000
President's Budget FY 83	0
Corps Stated Capabilities FY 83	230,000
State of Florida Request FY 83	230,000

Project Sponsor: Metropolitan Dade County

Project Description:

The purpose of this study is to provide a comprehensive review of environmental impacts from federally authorized and constructed projects in and adjacent to Biscayne Bay, Dade County, Florida. The Corps of Engineers, acting as the lead federal agency in cooperation with the Federal Department of Transportation, will review such projects as the Intracoastal Waterway, Government Cut, Bakers Haulover Inlet, the Central and Southern Florida Flood Control Project, and causeway construction to determine whether these and other existing federally authorized projects are having a detrimental impact upon and should be modified to improve the biology and water quality of Biscayne Bay. The study will address, but not be limited to, the effects of dredging and filling on circulation patterns and the flushing of problem areas, the effects of spoil islands on water quality, and the effects of modified freshwater inputs to Biscayne Bay on biological communities and water quality.

Project Justification:

Biscayne Bay and the adjacent shoreline have been subjected to intense development and alterations through federally authorized construction projects. The cumulative impacts of these projects on the Biscayne Bay system are not known. However, local government studies have determined that water quality in the bay is poor, especially north of Rickenbacker Causeway. Excessive turbidity and reduced flushing are major problems. The information generated by this proposed study is needed for the development of a judicious management program and for the development of guidelines for future use of the bay.

Golden Gate Estates Water Resources Redevelopment
(Study)

Estimated Federal Cost	$1,244,000
Estimated Non-Federal Cost	0
Federal Funds Through FY 82	522,000
President's Budget FY 83	0
Corps Stated Capabilities FY 83	240,000
State of Florida Request FY 83	240,000

Project Sponsor: Big Cypress Basin Board of the South Florida Water Management District

Project Description:

This is a study of the feasibility of redeveloping the water management system of the Golden Gate Estates (GGE) area of southwest Florida. The system of canals and other drainage works constructed in the 1960's to provide drainage in the GGE area resulted in substantial damage to the land and water resources of western Collier County. Problems include: disruption of natural flow patterns and water table levels; increased salt water intrusion; frequent and severe wildfires; and abandonment of thousands of acres of prime agricultural lands. There are also indications that the Golden Gate canal system is interfering with water flows to the Big Cypress National Freshwater Preserve and to lower estuarine areas of the Everglades National Park. Furthermore, recent engineering studies indicate that the system is inadequate as a flood control system and cannot pass a one-in-ten-year storm without flooding.

Project Justification:

The environmental disturbances that have resulted from the GGE canal system are substantial and well documented. A redevelopment of this system is mandatory in order to mitigate continuing and severe disruptions to the water and land resources of not only the GGE area itself, but also to contiguous areas, such as the Fahkahatchee Strand, prime agricultural areas north of GGE, and estuarine areas of Southwest Florida, particularly Fahka Union Bay and Naples Bay. If the present canal system to GGE is not significantly modified, adverse effects may also be felt in the nearby Corkscrew Sanctuary and in some estuarine areas of Everglades National Park.

Kissimmee River Survey Review
(Study)

Estimated Federal Cost	$2,468,000
Estimated Non-Federal Cost	0
Federal Funds Through FY 82	2,030,000
President's Budget FY 83	253,000
Corps Stated Capabilities FY 83	372,000
State of Florida Request FY 83	372,000

Project Sponsor: South Florida Water Management District and Department of Environmental Regulation, in Conjunction with the Coordinating Council on the Restoration of the Kissimmee River Valley and Taylor Creek-Nubbin Slough Basin

Project Description:

This study directly addresses problems related in varying degrees to the Corps of Engineers' channelization of the Kissimmee River. The channelization (accomplished by the Corps between 1962 and 1971 as part of the Central and Southern Florida Flood Control Project) has been associated with a series of adverse environmental impacts reflected in the continuing degradation of water quality in the Kissimmee River (C-38), Taylor Creek and Lake Okeechobee and in the significant loss of fish and wildlife resources and habitat. The study is reviewing a set of alternatives, (including plans that require dechannelization of all or parts of C-38), that are designed to improve water quality and restore disrupted ecosystem components.

Project Justification:

Channelization of the Kissimmee River was accompanied by a series of adverse environmental impacts reflected in the continuing degradation of water quality in the Kissimmee River (C-38) and Lake Okeechobee. These unforeseen impacts include: disruption of the normal hydroperiod in the Kissimmee River floodplain and enhanced drainage; loss of thousands of acres of floodplain marshes; residential encroachment in flood-prone areas in the valley; and loss of environmental amenities. The Kissimmee River Survey Review is the direct result of Florida legislative direction given to the Florida Department of Environmental Regulation and the South Florida Water Management District in 1977.

Little Econ River Restoration
(Study)

Estimated Federal Cost	$300,000
Estimated Non-Federal Cost	0
Federal Funds Through FY 82	0
President's Budget FY 83	0
Corps Stated Capabilities FY 83	To be determined
State of Florida Request FY 83	50,000

Project Sponsor: Orange County

Project Description:

This study would determine the extent and severity of potential flooding and existing water quality problems in the southeast Orlando area. The area has become nearly 100% developed over the past decade and there is considerable uncertainty as to just how susceptible the area now is to flooding. Much of eastern and southeastern Orlando and its suburbs make up the study area. The drainage basin of the Little Econlockhatchee River is about 40 square miles. Artificial channels and the natural river drain northward and ultimately drain into the St. Johns River. Techniques devised to restore the Little Econ drainage basin may include retrofitting of structures, removing point sources of pollution, mapping floodprone areas, creating runoff retention ponds, and other measures. Nonstructural solutions such as new and revised subdivision rules, ordinances, and governmental policies will be studied and used where practicable to improve the drainage basin by guiding growth and development practices.

Project Justification:

The Little Econ is a stream with potential both for causing flood damage and for being a more important environmental resource. This study can point to ways to reduce flood hazards, improve the water quality of the river, and enhance the fish and wildlife values.

Six Mile Cypress
(Study)

Estimated Federal Cost	$387,000
Estimated Non-Federal Cost	0
Federal Funds Through FY 82	50,000
President's Budget FY 83	0
Corps Stated Capabilities FY 83	150,000
State of Florida Request FY 83	150,000

Project Sponsor: Lee County

Project Description:

This study focuses on the technical and economic feasibility of two management actions: purchase of a portion of Six Mile Cypress in Lee County and the construction there of permanent water control structures. Lee County, on its own initiative, is purchasing a portion of the project area and desires federal financial assistance in purchasing areas between Daniels Road and Ten Mile Canal. Permanent water control structures are needed at Ten Mile Canal and Daniels Road. Lee County has constructed temporary structures at these two locations to slow the rate of overdrainage.

The Six Mile Cypress strand is one of the last major relatively undisturbed cypress areas in Lee County. The strand is located approximately three miles southeast of Fort Myers and runs from State Road 82 southwesterly for ten miles to its juncture with Ten Mile Canal. Over the past several years, development pressures have begun to encroach upon the strand. Overdrainage has occurred, and melaleucas and other exotic plants have begun to replace the native cypress. The Six Mile Cypress strand forms a natural buffer between the Fort Myers urban area to the west and the proposed Regional Airport to the east. A referendum for the public purchase of a major portion of the Cypress was overwhelmingly approved by the citizens of Lee County in November of 1976.

Project Justification:

The Six Mile Cypress Project, if implemented, would protect a unique natural cypress strand from overdrainage and enhance new cypress tree growth in areas which historically supported such vegetation. This strand of cypress would also provide a natural buffer between the Regional Airport and the urbanized Fort Myers area.

CONTINUING AUTHORITY AND RECREATION PROJECT

St. Johns River West Channel

AQUATIC WEED CONTROL PROGRAM

Removal of Aquatic Growths

Aquatic Plant Control

JACKSONVILLE DISTRICT
Continuing Authority Project
New Study Requests

Project: St. Johns River - West Channel Navigation Restoration Project

Estimated Federal Cost	$5,000

Project Sponsor: St. Johns River Water Management District

Project Description:

This study would evaluate restoration of navigability to the west channel of the St. Johns River in Orange County where the channel was blocked by construction of the Beeline Expressway. Supplemental environmental benefits are expected to result from alteration of existing canals and levees. The combination of works would accomplish several objectives: restore navigation to 2.5 miles of the west channel; plug the 9.2 mile Tosahatchee Main Back Canal, thereby forcing flow out of the canal and into adjacent marshes; breach the canal levee system thereby permitting floodwaters from the St. Johns River to the east to pass through the levee and inundate floodplain lands currently isolated west of the levee; and prevent the buildup upstream of aquatic weeds that presently cannot pass through the concrete pipes in the west channel.

Project Justification:

Beneficiaries of the navigational aspects of this project will be recreational boaters, fishermen and other users. Enhancement of the local environment should result from reducing canalized flow and returning a portion of the St. Johns floodplain that presently is diked off to its original functions of floodwaters storage, wetlands associated productivity and water quality enhancement.

JACKSONVILLE DISTRICT
Aquatic Weed Control Program

Project: Removal of Aquatic Growths

Estimated Federal Cost:	$2,092,000

Project Description:

Water hyacinths were first introduced into Florida in 1890. Within six years, the prolific growth of this aquatic plant had completely blocked commercial navigation on the St. Johns River. This resulted in the authorization of the "Removal of Aquatic Growths from Navigable Waters in the State of Florida" Project by the River and Harbor Act of 1899. The Corps of Engineers District, Jacksonville, has conducted water hyacinth control operations on the major navigable waters of the State under this operation and maintenance project since that time. Another exotic aquatic plant, hydrilla, was introduced into Florida about 1960. Control of this plant in the major water courses of the State is also accomplished under this project. Navigability of the State's water courses has been adequately maintained during the past few years due to increased funding levels. Florida's semitropical rivers would quickly revert to weed-choked waterways without the project.

Project: Aquatic Plant Control

Estimated Federal Cost:	$2,545,000

Project Description:

The River and Harbor Act authorization for "Removal of Aquatic Growths from the Navigable Waters in the State of Florida" Project in 1899 did not allow for the treatment of aquatic plants in smaller water courses for purposes other than navigation. The authorization also did not address the need for treatment of the nationwide aquatic weed problems. This resulted in the enactment of P.L. 85-500 in 1958 as amended by P.L. 89-298 in 1965 for a continuing "National Program" to control aquatic weeds for many purposes. The program requires local participation in the form of an assumption of claim liability and a 30% contribution for plant control operations. The Florida Department of Natural Resources is the local sponsor for the State. In Florida, the program primarily involves treating hyacinths, hydrilla, and water lettuce in 27 watersheds. The majority of this work is done under contract by State and local agencies.

The State has major water related commerce and industry that would be stifled were it not for continued management of aquatic weeds. Recent funding increases have allowed control of aquatic vegetation to acceptable levels.

APPENDIX A

Governor and Cabinet Resolution

Cross Florida Barge Canal

RESOLUTION

WHEREAS, the Governor and Cabinet of Florida, sitting as Head of the Department of Natural Resources, on August 1, 1972, rescinded their previous policy supporting completion of the Cross Florida Barge Canal through the Oklawaha River Valley and on that date suspended their support of this project until such time as:

1. A new benefit-cost ratio study, which includes up-to-date interest rates and construction costs and re-evaluation of recreational benefits, is completed and demonstrates to the satisfaction of the State that this is a wise expenditure of taxpayers funds.

2. An environmental impact statement, as required by Section 102 of the National Environmental Policy Act, is completed and available to the State for final evaluation as to the environmental effects of the Canal.

WHEREAS, restudy documents were prepared and released by the U. S. Corps of Engineers in the summer of 1976 and did contain a draft environmental impact statement and a benefit/cost ratio study displaying up-to-date interest rates which were additionally updated in December 1976; and

WHEREAS, the Governor and Cabinet of Florida, sitting as the Head of the Department of Natural Resources, on December 16 and 17, 1976, did consider the restudy documents and take public testimony relative to the Cross Florida Barge Canal;

NOW THEREFORE BE IT RESOLVED THAT:

A. The Governor and Cabinet, sitting as the Head of the Department of Natural Resources, and recognizing the authority of the United States Congress to complete the canal, respectfully:

1. Recommend against completion of the Cross Florida Barge Canal Project.

2. Request the United States Congress to de-authorize the Cross Florida Barge Canal Project.

3. Recommend to the United States Congress that it authorize and appropriate sufficient funds for federal participation in and implementation of the following recommendations:

(a) Establishment of a State-Federal Task Force to study and recommend the best disposition and use of the canal lands with special emphasis on:

(1) Restoration of the Oklawaha River, its designation as a wild and scenic river, and its inclusion in the Ocala National Forest;

(2) Use of other remaining canal lands for public recreational and environmental purposes especially to meet the present and future needs of the canal-area counties; and

(b) Lands previously supplied by the State of Florida to the Federal Government and not necessary for use by the Federal Government for a wild and scenic river system or Ocala National Forest be returned to the State of Florida.

4. Direct the staff of the Department of Natural Resources to coordinate state efforts in an interagency State-Federal Task Force to study and recommend the best disposition and use of the canal lands with special emphasis on restoration of the Oklawaha River, its designation as a wild and scenic river, and its inclusion in the Ocala National Forest.

5. Direct the Division of State Planning of the Department of Administration to study and make specific recommendations for applications to be made by the State of Florida to the United States Congress for funding of sewage treatment construction projects in the State of Florida, for federal impact funds for economically depressed areas, as well as other federal funds which will have an impact on the State of Florida.

B. The Governor and Cabinet, sitting as the Head of the Department of Natural Resources, recommend to the 1977 Florida Legislature that:

1. The responsibilities of the Canal Authority be amended in order to retain public ownership of the lands associated with the project as necessary to accomplish "A" above.

2. Legislation be enacted which will permit appropriate title to be secured for those lands currently held in easement as necessary to accomplish "A" above.

3. Title to the lands associated with the project retained by or returned to an agency of the state be transferred to the Trustees of the Internal Improvement Trust Fund.

4. Chapter 374, Florida Statutes, Part II, (Sections 374.301-374.521) be repealed and any funds remaining in the accounts of the Cross Florida Canal Navigation District and not legally obligated, be returned to the counties in the District on a prorata basis, established by the tax monies furnished to the District by these counties.

5. Section 20.25(12), Florida Statutes, be amended to read "The canal authority of the State of Florida, created under part I of Chapter 374, is transferred by a type three transfer to the Department of Natural Resources and the functions shall be assigned to the Division of Resource Management".

6. All such state lands determined not to be necessary for recreation, wildlife or environmental preservation be sold at public sale to the highest bidder and the funds derived be refunded to the counties involved on a prorata basis in the manner established by the tax monies furnished by these counties for the Cross Florida Canal Navigation District. The total monies refunded to the various counties are to be calculated by converting the actual amount furnished to its present dollar value giving the effect of interest charged at average market rates being compounded annually over the total period of financial commitment. Should the funds so derived be in excess, any surplus will be returned to the different counties on a prorata basis. Should the funds so derived be insufficient, the Governor and Cabinet, sitting as Head of the Department of Natural Resources, recommend to the Florida Legislature that they appropriate sufficient funds to fulfill this obligation.

C. The Governor and Cabinet, sitting as Head of the Department of Natural Resources, direct the staff of the Department of Natural Resources, upon approval and implementation of "B.5", to prepare any additional legislative recommendations for use or disposition of resources and facilities of the project consistent with the above recommendations.

DONE AND EXECUTED at Tallahassee, Florida, this 17th day of January, 1977, A. D.

Reubin O'D. Askew
Governor

Bruce A. Smathers
Secretary of State

Robert L. Shevin
Attorney General

Gerald A. Lewis
Comptroller

Bill Gunter
Treasurer

Commissioner of Agriculture

Ralph D. Turlington
Commissioner of Education

As and Constituting the Head of the State of Florida Department of Natural Resources.

ATTEST:

Mary C. Noah
Secretary

APPENDIX B

Governor's Recommendations for Greater Emphasis by the Federal Government on Nonstructural Water Management Alternatives

STATEMENT OF GOV. BOB GRAHAM OF FLORIDA

The State of Florida believes that important changes in federal policy on nonstructural measures for water management are vitally important to the nation's water future. The federal government has not kept pace with some new approaches to water project planning and implementation. State and federal agencies are handicapped in attempts to develop the best plans for the conservation and development of our limited water resources in ways that minimize the need for expensive, environmentally-damaging dams, canals locks, channels, and other structures.

Nonstructural water management means adapting to existing hydrologic conditions rather than trying to modify them. The nonstructural approach frequently has many advantages over structural alternatives. For example, it is often more adaptable to changing circumstances than fixed structures. It also can, in many cases, provide a greater degree of certainty and safety. Floodplain acquisition programs avoid structural risks or engineering problems. Nonstructural alternatives can actually be beneficial rather than destructive for the environment. Energy savings can also accrue from selecting nonstructural alternatives since many of them require no continuing, long-term energy investments. Nonstructural measures can also sometimes be accomplished more quickly than structural alternatives. Dams, locks, and navigation channels can require decades for construction, but sometimes simple changes in management of existing structures can be implemented in a fraction of that time. Lastly, nonstructural measures can be less costly than structural measures.

By "nonstructural alternatives" we mean a host of means for dealing with water problems other than the conventional structural approach. "Nonstructural" is not synonomous with land acquisition. Although frequently it is the case that acquisition of some areas is the best alternative, there are often other, less costly, less intrusive, nonstructural choices. Rather than navigation channel deepening, particularly for inland waterways, there can sometimes be vessel modification, ship scheduling or improved water depth forecasting. Rather than building a traditional flood storage reservoir, there could be floodplain acquisition or regulation. Rather than construction of a water supply reservoir, there can be more efficient use of existing water supplies.

We recognize that neither approach is the entire answer to the nation's water problems. Often, the best solution to a water problem will involve a combination of structural and nonstructural components.

Florida's Interest in Nonstructural Alternatives

Florida has made much progress in implementing nonstructural alternatives, but with only limited assistance from the federal government. These state initiatives include the setting of coastal construction setback lines, adoption of state policy encouraging nonstructural water management, and significant land acquisition programs.

In the area of land acquisition, hundreds of millions of Florida tax dollars have been devoted to essential land acquisition that serves the purposes of water management. The five regional water management districts in Florida have spent in excess of 150 million dollars on land acquisition for flood protection, water conservation, water supply, and other water management purposes.

Florida's Environmentally Endangered Lands Program has already purchased approximately 180 million dollars worth of land in the last eight years. Many of these acquisitions have served important water management purposes. Furthermore, the State Conservation and Recreation Lands Program is generating twenty million dollars per year for land and water areas acquisition. The "Save Our Rivers" program, recently enacted by the Florida Legislature, will provide an additional 350 million dollars over the next ten years for acquisition of water management lands. These programs are in addition to state matching funds towards the federal Land and Water Conservation Fund program.

Our activities, we believe, are justified on economic and environmental grounds. However, much of the state's nonstructural program has been undertaken with only limited federal assistance, and the program has not achieved its full potential. The financial burden will be made heavier in the future because the water management districts are emphasizing nonstructural alternatives, including land acquisitions, more than they have in the past. A great problem is that under the existing project authorizations, local sponsors (the water management districts) must buy all lands for a new nonstructural management alternative, without any federal participation, even if that alternative would be more effective and less costly than a structural alternative.

The State's Public Works Program

The state's proposals to Congress for public works projects have also sought to emphasize nonstructural alternatives for water management. Under Chapter 373, F.S., potential local sponsors for public works projects participate in a state government review process. The state, in turn, annually presents the results of this selection process to the Office of Management and Budget and to Congress for their support. The state's FY 1982 public works program request includes six feasibility studies of water resource problems which we believe have nonstructural solutions.

In addition, other public works project sponsors in Florida are considering nonstructural alternatives as part of future project planning. All of these studies may result soon in recommendations for improved local land use planning, revised water level schedules, land acquisition, or other nonstructural measures. For such nonstructural alternatives to receive equal consideration at the local, state and federal level, they must receive equal treatment by field planners and have an equal chance with structural alternatives of being supported by higher echelons of the Corps of Engineers, OMB, and the Congress.

Needed Action at the Federal Level

Although some progress has been made in implementing nonstructural alternatives, obstacles remain. The relatively new emphasis on nonstructural approaches in designing and operating projects has out-paced the federal government's planning and budgeting process. We have a number of specific recommendations that will help to ensure that nonstructural approaches can be treated more equally with structural solutions.

1. Demonstration of interest at the Washington Level

Field planners must receive clear signals from Washington that nonstructural approaches will get a receptive hearing in Washington. Policy statements alone will not do the job: there must be unmistakable evidence that cost-effective nonstructural solutions will not be blocked higher up in the chain of command, in OMB, or in Congress.

These signals could take several forms. One could be an effort directed by the headquarters offices of the agencies, to identify and fund some promising nonstructural projects. Congress could mandate this specific activity, and fund the resulting recommended projects.

2. Changes in Project Authorization

The terms of project authorizations require the local sponsor to provide "all lands" necessary for the project. When actual project planning is done, the preferred implementation alternative may involve more land acquisition than was originally anticipated. However, this process imposes additional costs only on the local sponsors. The federal government will not, under the terms of the project authorization, contribute to unanticipated land acquisition. Unsurprisingly, the land acquisition alternatives appear unattractive to the local sponsors.

Removing this penalty for nonstructural alternatives is essential if they are to receive fair treatment in project planning and implementation. Congress should require the Corps of Engineers and the other water project planning agencies to deduct unanticipated costs of land acquisition from the local sponsor share of total project costs.

3. Improvements in Section 1362 and Section 73

Section 1362 of the Flood Insurance Act of 1973 authorizes post-flood acquisition of damaged properties, when cost-effective. By funding this program, Congress could save the nation the endless cycle of paying for disaster assistance in floodprone areas. Section 73 of the Flood Control Act of 1974 specifies the cost share for nonstructural flood control alternatives at twenty percent, making the cost share equal to cost shares for structural alternatives. This equality of treatment should extend to all authorized project purposes, rather than being limited to flood control. In addition, the policies of Section 73 should be applicable to project authorizations, approved before 1974.

4. Retain the Existing Framework of "Principles and Standards"

The recent revisions to the "Principles, Standards and Procedures", promulgated by the U.S. Water Resources Council, specify generally sound economic and environmental assessments, and explicitly require equal treatment for nonstructural alternatives. We see no need for major revisions.

5. Strengthen the Flood Insurance Program

It doesn't make sense to encourage people to live in hazardous floodprone locations. Yet, that is exactly what the flood insurance program does by not enforcing strong enough building requirements and by a seventy-five percent subsidy of many flood insurance premiums. The insurance program needs three improvements:

a. Improve the federal monitoring of the local building code enforcement required under the flood insurance program.

b. Make the program actuarially sound, by elimination of subsidies for new developments. Insurance rate-setting should more accurately reflect actual hazard risks. Hundreds of millions of dollars can be saved every year.

c. Accelerate flood insurance mapping, so that insurance rates can reflect actual hazards. The present slow rate of mapping denies local governments the capacity to exclude inappropriate development of the floodplain - local governments simply don't know where the limits of the floodplain are. This delay is especially serious for fast-growing states, where new developments are often proposed for lands originally bypassed by prior development.

6. Consider Reforms in Other Subsidies for Hazardous Development

A wide range of federal programs repay people for the damages done resulting from natural disasters, without always encouraging the recipients to avoid the risks of reoccurrence. In some cases, federal programs directly subsidize development in hazardous areas. The federal share of the costs of developing barrier islands, for example, can sometimes be quite large. The federal share of the cost of roads, wastewater treatment plants, water supply systems, public schools and other facilities can be the determining factor in this type of development. Congress should eliminate these subsidies when they are not cost-effective or when they encourage unwise development in hazardous or environmentally-sensitive areas.

Another example is provided by Small Business Administration Loans. Often given at very low interest rates, with deferred repayment, they present very attractive reasons to ignore the costs of hazard.

Congress should critically examine these programs to determine whether reforms are needed to prevent the unwise rebuilding or damaged structures.

7. Develop Better Plans for Recovery After Water Crises

We can be certain that future droughts and floods will occur. We know that someday a killer hurricane will smash into our coastal cities and cause massive devastation. The federal government must work with state and local governments to assure that, in the understandable urge to "do something" after a disaster, unjustified structural projects are not built or rebuilt.

We must begin now to plan for acquiring the coastal areas destroyed by that hurricane, if acquisition is justified. Too often, homes and business unwisely located in hazardous areas are quickly rebuilt, rather than relocated, and the threat of destruction is recreated by man's actions. The Army Corps of Engineers, and other agencies, should receive Congressional directives to seek out nonstructural solutions after disasters, before attempting rebuilding.

Summary

The State of Florida is strongly supportive of nonstructural approaches to the solution of water problems. At present, the nonstructural approach does not receive equal treatment with structural approaches. We encourage the Congress to enact several measures that will help to remove this inequality.

ADDITIONAL PREPARED STATEMENTS

Senator COCHRAN. The subcommittee has also received prepared statements from the Joint Committee for the Improvement and Development of the Philadelphia Port Area and the PENJERDEL Council regarding matters related to the Delaware River navigation project.

Those statements will also be made part of the record.

[The statements follow:]

STATEMENT OF PAUL LANE IVES, JR., CHAIRMAN OF THE JOINT EXECUTIVE COMMITTEE FOR THE IMPROVEMENT AND DEVELOPMENT OF THE PHILADELPHIA PORT AREA

IDENTIFYING REMARKS

The Joint Executive Committee for the Improvement and Development of the Philadelphia Port Area is port-affairs for twenty-one Delaware Valley civic and trade associations whose names appear at the bottom of this letterhead page. Organized in 1888, this Committee has participated in and promoted all major navigation improvements to the Delaware and Schuylkill Rivers and to the Chesapeake and Delaware Canal. The members pay no dues beyond the nominal amounts needed to cover the Organization's administrative expenses and the Officers serve without compensation.

Our Delaware River Ports, Camden, Philadelphia, and Wilmington, identified collectively as the Ports of Philadelphia, handled approximately 70 million tons of cargo during calendar year 1981. This commerce generated more than a billion dollars into the economy of the tri-state Delaware Valley region. During 1981 the Port contributed strongly toward the United States trade balance through the export of coal, grain, automobiles, chemicals, machinery, and steel products. Seven major oil refineries; the largest refinery complex on the east coast, plus one of the Nation's largest steel mills are located along the Delaware River. In addition to the support these facilities lend to national defense, a U.S. Naval Base is strategically located at the confluence of the Delaware and Schuylkill Rivers. In 1981 the Ports of Philadelphia produced $276 million for the Federal Government in Customs Receipts; $30 million more than during the prior year.

SUMMARY

We are puzzled by the inadequacy of funding in the FY'83 budget for our navigation projects and the further efforts proposed which would tax the users of our waterways by imposing additional fees in the form of user charges. In 1981 $276 million in customs collections were generated as a direct result of waterborne commerce moving through our Delaware River ports. During the same year the Federal Government spent $25.5 million to maintain our navigable channels. This is better than a 10 to 1 return on investment. To jeopardize such a profitable operation by underfunding needed maintenance is sheer folly. We urge the addition of $14,630,000 to the President's FY'83 budget.

FULL TESTIMONY

The proposed FY'83 budget provides the U.S. Army Corps of Engineers with the following amounts for the operation and maintenance of completed navigation projects in our area of interest:

Delaware River, Philadelphia to the Sea	$17,952,000
" " " " Trenton	3,076,000
Schuylkill River	1,222,000
Wilmington Harbor	1,401,000
Chesapeake and Delaware Canal	2,010,000
Total	$25,681,000

The total appropriation of $25,661,000 is only 47% of the Corps capability to maintain the major navigation projects in the Delaware Valley region during FY'83. We note that this total is 15% less than the amount appropriated for these projects in FY'82. Indeed, when adjusted for inflation, the actual reduction in maintenance funding is approximately 25%. This reduction would be imposed despite the following:

A) Inadequate maintenance has prevailed in our channels. Depths of between 35 feet and 39 feet have frequently existed in the authorized 40 foot Delaware River channel. The numerous petroleum and ore carriers which utilize the Delaware River typically suffer losses of $30,000 per foot of restricted draft. Depths of 25 feet have been recorded in the 35 foot authorized Wilmington Harbor channel and surveys have shown soundings of 30 feet in the authorized 33 foot Schuylkill River channel project.

B) No new disposal areas have been provided to meet spoil disposal requirements for maintenance dredging of the Delaware and Schuylkill Rivers and Wilmington Harbor for approximately two decades.

C) Significant increases in tonnage moving through the Chesapeake and Delaware Canal has occurred since the channel was deepened. No maintenance dredging funds are being provided in the FY'83 Budget to maintain the project depth.

D) There is an increasing requirement for the movement of waterborne coal on the Delaware River Philadelphia to Trenton project.

E) There is a $500 million a year grain export business operating from the Schuylkill River. Every foot of restricted draft due to inadequate depths represents a $100,000 loss per trip.

The foregoing conditions become seriously aggravated by the extensive cutbacks (25%) threatened by the FY'83 budget. Such a cutback on a port area that handles 70 million tons of cargo annually would be disastrous. We believe that it is important to provide adequate funding to preserve the existing facilities, investments and infrastructure whose continued existence depends on established navigation projects. We note that the Corps of Engineers has indicated that they have the capability to justifiably expend an additional $35,838,000 on these projects. However, recognizing the need for fiscal restraint, we urge funding only those items of additional capability which we find absolutely essential. These follow:

Delaware River - Philadelphia to the Sea

Successful channel maintenance requires disposal areas for receipt of dredge spoil. No new disposal area has been made available for this project for approximately two decades. Approximately 200 acres of government owned real estate at Penns Grove, New Jersey is awaiting development into a disposal area. This area has the potential of receiving approximately 20,000,000 cubic yards of dredge spoil. $2,000,000 of capability for this work should be funded.

We also note the absence of funding for spot shoal removal on the Delaware River although the Corps has a capability of $2,000,000 in order to perform this work. The Delaware River is subject to sudden erratic shoaling. It is urgent that the Corps be provided with the means to respond to this sudden shoaling. The port activity is seriously compromised by the lack of full project depth. The $2,000,000 for spot shoal removal needs to be restored so that a quick response may be made to shoals as they develop. Lack of this capability will seriously aggravate the present inadequate depths.

Delaware River - Philadelphia to Trenton

The Duck Island Range in the upper reaches of this project is authorized to a 25 foot depth and a 14 foot depth now prevails. Approximately 1,200,000 tons of coal are delivered to Mercer County, New Jersey and Duck Island Range is providing a restricted depth. The coal is transported by barge and the Corps has calculated that a 7.9 benefit cost ratio exists if a 21 foot depth is restored. Such a cost benefit ratio should not be lost due lack of funding. It is urged that $1,200,000 be added for this dredging.

In 1966, the Philadelphia Port Corporation and other Port interests requested the construction of a turning basin and maneuvering area in the vicinity of the planned Tioga Marine Terminal, just north of Allegheny Avenue. The recommendation was for the continuation of the 1,000 foot wide channel north of Allegheny Avenue for approximately one mile with an enlargement of the width to approximately 1,200 feet - 1,400 feet above the midsection of the extension to provide an adequate area for turning and maneuvering. This turning basin will also accommodate bulk coal carriers when the new coal terminal is constructed at the adjacent Port Richmond Terminal. Equally important, the enlargement would permit safe passage of through traffic.

Only minor construction remains, primarily in the turning basin area. We have repeatedly asked the Federal Government to complete the construction and assume maintenance of the maneuvering area and turning basin but this work is not even scheduled. The City of Philadelphia is justly concerned that this terminal, which was constructed at a cost of $31 million and is now valued at nearly $90 million, is prevented from reaching its full potential because of navigational limitations.

In FY'83, the Corps of Engineers has a capability of $100,000 in order to perform the final engineering and design phase prior to construction. We urge that this important project be permitted to proceed by adding the Corps capability of $100,000 in order to do this work.

Wilmington Harbor

This facility is the principal marine terminal in the State of Delaware. During calendar year 1981, the Port handled 3,025,472 tons of waterborne cargo consisting largely of meat, produce, automobiles, coal, steel products, oil, gypsum, and lumber. During the year the authorized 35 foot channel deteriorated to as little as 22 feet. The proposed reduction of funding on this project from $1,868,000 in FY'82 to $1,401,000 as proposed in FY'83 would be self-defeating. It is urged that the additional capability of $650,000 to cover maintenance dredging be approved.

IWW Delaware River to Chesapeake Bay (Chesapeake and Delaware Canal)

The FY'82 program for the C & D Canal was $7,583,700. The budget proposes funding of $2,010,000 for this project for FY'83. No dredging funds are provided as the $2,010,000 is allocated to necessary traffic control and housekeeping functions. This project requires annual dredging. The importance of adequate depths is manifested in the fact that tonnage in the canal has increased by almost 5 million tons (a one-third increase) since the 35' depth became available in 1979. To permit shoaling at this time would frustrate the benefits of the $100,000,000 improvement and deepening project completed in 1979.

The Chesapeake and Delaware Canal provides a saving of a day of ship time in moving between Philadelphia and Baltimore, and also represents additional savings in time and mileage for vessels plying between Baltimore and other North Atlantic ports. These savings are particularly meaningful in these times of high fuel costs. A recent study by the Corps of Engineers indicates that the use of the C & D Canal over alternate routes is saving 350,000 barrels of fuel per year. For this reason we urge that $8,500,000 of additional dredging funds be provided.

Delaware River Dredging Disposal Study,
Pennsylvania, New Jersey, and Delaware

Serious dredge disposal problems threaten the Corps' ability to maintain the Delaware River ship channel in the future. We are pleased that the Federal Government has authorized the Delaware River Dredging Disposal Study in recognition of the importance of solving these problems. Specifically, certain areas of the Delaware River will be without disposal sites in four years. It is imperative to us that the full study capability be utilized in the short time remaining and accordingly we ask that $180,000 be added to the FY'83 Budget so that maximum resources can be directed toward solving this pressing problem.

STATEMENT OF JOHN J. MCGARRY, VICE PRESIDENT, PENJERDEL COUNCIL

The proposed budget provides the U.S. Army Corps of Engineers with the following amounts for the operation and maintenance of completed navigation projects in our area of interest:

Delaware River, Philadelphia to the Sea	$17,952,000
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Wilmington Harbor	1,401,000
Chesapeake and Delaware Canal	2,010,000
Total	$25,681,000

It should be noted that this total is over 15% less than the amount programmed on these projects in FY '82. Allowance for inflation means the actual reduction in maitenance capability will be approximately 25%. This reduced capability would be imposed despite the facts that:

A) Inadequate maintenance has been prevailing in our channels. Depths of between 35 feet and 39 feet have frequently prevailed in the authorized 40' Delaware River channel; 22 feet has frequently prevailed in the 35' authorized Wilmington Harbor channel; 30 feet has frequently prevailed in the 33 Schuylkill River channel.

B) No new disposal areas have been provided to meet spoil disposal requirements for maintenance dredging for approximately two decades.

C) Significant increase in tonnage through Chesapeake and Delaware Canal has occurred since channel deepening (and no maintenance dredging funds as being provided this year.

D) There is an increasing requirement for waterborne coal to service a power plant on the upper Delaware River.

E) There is a $500,000,000 a year grain export business operating from the Schuylkill River wherein every foot of restricted draft due to inadequate depths represents a $100,000 loss per trip. Similarly, the numerous petroleum and ore carriers which frequent our Port area suffers a $30,000 loss per foot of restricted draft per trip.

The foregoing problems become seriously aggravated by the extensive cutbacks (25%) threatened in the proposed budget. Such a cutback on a port area that handles 70,000,000 tons of cargo annually would be a disaster. We believe that it is important to provide adequate funding to preserve the existing facilities, investments and infrastructure whose continued existence depends on these established projects.

We note that the Corps of Engineers has indicated that they have the capability to justifiably expend an additional $35,838,000 on these projects. However, recognizing the need for fiscal restraint, we urge funding only those items of additional capability which we find absolutely essential. These follow.

Philadelphia to the Sea

Successful channel maintenance requires disposal areas for receipt of dredge spoil. No new disposal area has been made available for this project for approximately two decades. Approximately 200 acres of government owned real estate at Penns Grove, New Jersey is awaiting development into a disposal area. This area has the potential of receiving approximately 20,000,000 cubic yards of dredge spoil. $2,000,000 of capability for this work should be funded.

Spot Shoal - Delaware River

The Delaware River is subject to sudden and erratic shoaling. It is urgent that the Corps be provided with the means to respond to this sudden shoaling. The port activity is seriously compromised by the lack of full project. The $2,000,000 for spot shool removal needs to be restored so that a quick response may be made to shoals as they develop. Lack of this capability will seriously aggravate the present inadequate depths.

Delaware River - Philadelphia to Trenton

The Duck Island Range in the upper reaches of this project is authorized to a 25 foot depth and a 14 foot depth now prevails. Approximately 1,200,000 tons of coal are delivered to Mercer County, New Jersey and Duck Island Range is providing a restricted depth. The coal is transported by barge and the Corps has calculated that a 7.9 benefit cost ratio exists if a 21 foot depth is restored. Such a cost benefit ratio should not be negated by lack of funding. It is urged that $1,200,000 capability be provided for this dredging.

Tioga Turning Basin

Tioga Turning Basin was authorized in 1976. No work has been undertaken since that date. This project is necessary to expand the export of coal and other cargo from the Delaware River in the Port Richmond area. The Corps informs that $100,000 is required to perform the preconstruction engineering and design in FY 1982 so that actual work may be initiated. We urge that the Corps of Engineers be instructed to expedite the initiation of construction of this Turning Basin.

Wilmington Harbor

This facility is the significant marine terminal in the State of Delaware. It accommodated more than 2M tons of cargo in 1981 consisting of meats, produce, automobiles, coal, steel products, oil etc. It did this even though inadequate maintenance caused this authorized 35' channel to become deteriorated to 22' on occasions. The proposed reduction of funding level on this project from $1,868,000 in FY '82 to $1,401,000 as proposed in FY '83 would be disastrous. It is urged that the additional $650,000 capability for dredging be provided.

Chesapeake and Delaware Canal

The FY '82 program for the C & D Canal was $7,583,700. The proposed budget proposes funding of $2,010,000 for this project for FY '83. No dredging funds are provided as the $2,010,000 is allocated to necessary traffic control and housekeeping functions. This project requires annual dredging. The importance of adequate depths is manifested in the fact that tonnage in the canal has increased by almost five million tons (a one third increase) since the 35' depth became available in 1979. To permit shoaling at this time would frustrate the benefits of the $100,000,000 improvement and deepening project completed in 1979. We are convinced that this omission in the budget is an oversight. This oversight is further evidenced in the fact that the Corps of Engineers established criteria to be used to identify waterways which would not quality for maintenance dredging. It would be erroneous to permit this waterway to deteriorate and thereby eliminate the benefits of 200 to 300 miles savings in the one way trip of vessels plying between Baltimore and Philadelphia or playing between Baltimore and many European ports. We urge that $8,500,000 of additional dredging funds be provided.

SUBCOMMITTEE RECESS

Senator COCHRAN. With that, the subcommittee's business is concluded for the afternoon. We will stand in recess until 10 a.m. in this room tomorrow.

[Whereupon, at 4:58 p.m. Monday, March 29, the subcommittee was recessed to reconvene at 10 a.m. Tuesday, March 30.]

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS FOR FISCAL YEAR 1983

TUESDAY, MARCH 30, 1982

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 10:03 a.m. in room 1114, Everett McKinley Dirksen Senate Office Building, Hon. Walter Huddleston presiding.

Present: Senators Garn, Abdnor, Huddleston, Burdick, and Sasser; also present: Senators Andrews and Boren.

NONDEPARTMENTAL WITNESSES

OPENING REMARKS

Senator HUDDLESTON. The subcommittee will come to order.

In the absence of the chairman of the subcommittee, Senator Hatfield, I have been asked as a member of the subcommittee to preside over today's session. Senator Hatfield expresses his regret that he cannot be here this morning.

We have a large number of witnesses, obviously, and all wish to be heard. Therefore, in accordance with our notification to each of the witnesses, it will take some self-restraint on the part of everyone to hold the oral testimony to a minimum in order that all of you who have requested an opportunity to testify may be heard.

So in keeping with the subcommittee's wishes, I ask that the detailed, prepared statements that each of you has worked out very carefully be submitted for the record where they will be carefully reviewed.

That is the record that the subcommittee will study in determining its judgment and recommendation for the upcoming year. Also, in this way, you will have a carefully detailed record so that anyone who is not present will be able to arrive at an independent judgment. Then if each witness will summarize or highlight the important points in his oral testimony, it will be most helpful in moving things along.

We will now proceed with the first witness, and we are glad to have over from the other side of the Capitol, the distinguished Congressman from the 7th District of Kentucky, Congressman Carl Perkins. He has a group with him that he will call on as he sees fit.

Congressman Perkins, welcome to the subcommittee.

LEVISA AND TUG FORKS OF THE BIG SANDY AND CUMBERLAND RIVERS, KY. AND W. VA.

STATEMENT OF HON. CARL PERKINS, U.S. REPRESENTATIVE FROM KENTUCKY

Mr. PERKINS. Mr. Chairman, so much has transpired in the 7th Congressional District in the last 30 years. We have been delayed in getting our project started.

I will commence first with the Haysi Reservoir this morning, even though I may violate your instructions by 2 or 3 minutes. We all know the Big Sandy River has two main branches—the Tug Fork and the Levisa Fork—and the Tug Fork has hundreds of smaller tributaries. This is mountain country where the terrain is steep and where the runoff from heavy rain can be so fast that flash floods really do justify the adjective "flash."

Five years ago this week, an enormous rainfall occurred in that area where Kentucky, Virginia, and West Virginia meet. Gauges at the center of the precipitation showed no less than 15 inches of rain had fallen during the period of April 3 to April 5, 1977, and I want to state that you have been through that section, we all went down there together.

HAYSI LAKE, KY., VA., AND W. VA.

I do not need to dwell today on the tremendous damage the 1977 flood caused, but what I want to say to you today is that the damage didn't have to be all that severe. There was a remedy available that had been proposed and authorized by the Congress 40 years ago. That is the Haysi Reservoir. Haysi would have been in the very middle of that high-density rainfall 5 years ago. That is on the Russell Fork in Dickenson County, Va. At the selected site, the reservoir would have had a gross storage capacity of 68,000 acre-feet, or 14.5 inches of runoff from the 87.6 square miles drainage area it was designed to serve.

A Federal investment of $19 million, as late as 1964, would have saved the United States, the local governments, and the people who live there many multiples of that sum in that one 1977 flood alone, to say nothing of the floods that plague the Big Sandy almost annually since.

For $19.5 million, we could have spared a mineral-rich area of the country so much of the danger, so much of the constant fear, so much suffering, and so much financial loss. Economic studies by the Corps of Engineers have shown the Haysi Lake project to have a benefit-to-cost ratio of 1.2, well within the limits of justification. These figures I have given you are not something I have pulled out of a hat. They are found in House Document No. 246 of the 89th Congress, First Session, a letter and report from the Secretary of the Army to the Committee on Public Works dealing with the Big Sandy and its tributaries.

Nature generally chooses to disregard political boundaries. The pent-up fury of the 15-inch rainfall is as contemptuous of a State line as it is for the prime interest rate or philosophy of the President's economic package. But there is a consolation of sorts in knowing that we have ways to control the floods, even if no one seems to have a handle on the economy.

We can help tame the floods on the Levisa Fork by building Haysi Lake. Since we have delayed this project for 44 years, I don't think anyone can accuse us of acting hastily, but we may be accused of something else if we don't seize the opportunity to build that reservoir while there is still something left up there to protect.

I urge you to approve sufficient funds to complete the necessary engineering and design work and give the people of that three-State region hope that help is at least on the way.

YATESVILLE LAKE, KY.

Mr. Chairman, I urge $5 million be appropriated to resume construction of Yatesville Lake on Blaine Creek in Lawrence County, Ky., and that the Secretary of the Army be directed to spend all of the $4 million appropriated by the Congress for fiscal year 1982.

Yatesville, as you well know, is another long-delayed project designed to reduce stress on the main stream of the Big Sandy as well as downstream on the Ohio River.

One more time, to recite to you the facts, construction of Yatesville was provided for in 1974 after which the Corps acquired more than 13,000 acres of land and expended some $12 million on the project.

As you know, the Carter administration made a foolish mistake in 1977 when they put this project on the so-called hit list, along with other projects, and in the course of trying to organize a veto where we failed to accomplish our means, the project was not taken off the hit list until about a year before President Carter went out of office, and he put, I think at that time, $2 million in the budget and most of that money was expended, and the year that he left office, he had $6.9 million in the budget.

The Appropriations Committee appropriated only $4 million for the project, but we are asking this year that an additional $5 million be appropriated, since the present administration wants to withhold $3 million of that $4 million appropriated for fiscal year 1982 under the impression that floods can be controlled by OMB directives without the benefit of concrete and steel.

Lucky for them, they haven't been in a flood lately. I don't think any of us will pay much attention to what they are doing down there since they have done so many foolish things.

Mr. Chairman, I want to repeat, Yatesville is no dreamed-up boondoggle. It is a legitimate project authorized by Congress 17 years ago after years of careful study by the Corps of Engineers who went down there in the area and was not influenced by anyone.

I just want to say that the slightest question about the economic justification for the Corps has placed the benefit-to-cost ratio at 1.6 when the project is considered as acting separately; and 1.8 when you consider it is acting in a system of Paintsville, Haysi, and Panther Creek reservoirs, with redevelopment benefits added, the ratios were 1.7 and 1.9, respectively.

The average annual benefits attributed to the project as recently as 1980 amount to $3,102,000. I doubt that you can get a letter today where the Corps first transmitted a letter about the Yatesville Reservoir. I have a copy of it. I don't know that you can obtain it from the Corps. You might. So these people have been playing around over there with the so-called benefit-to-cost ratio. They have just been reaching up in the clouds and doing what a few people who don't believe in protecting the people from floods want them to do without any justification whatsoever.

Disastrous floods and hundreds of millions of dollars worth of property losses have simply fortified the original justification.

Mr. Chairman, I think the time has come to read the riot act to the OMB and to order the Corps to finish this project. As long as we delay, we are gambling with the lives of people who live in the Big Sandy Valley, and the Federal Government has no right to play a game of Russian roulette when the heads of innocent people are under the gun.

LEVISA AND TUG FORKS OF THE BIG SANDY AND CUMBERLAND RIVERS, KY. AND W. VA.

On another item, I urge the committee to fund section 202 of the Energy and Water Development Act of 1981 in which Congress, at long last, decided to treat the flood problem of the Big Sandy and Upper Cumberland as a whole rather than piecemeal.

Section 202 directed the Corps to provide flood damage protection at full Federal expense for certain designated communities and other areas on the Big Sandy and Cumberland which were damaged by the 1977 flood.

The President's fiscal 1983 budget includes no recommendation for section 202. Passage of section 202 was a giant leap forward, but it does not go all the way. It is worthless unless it is funded. I am told that the Corps has the capability to utilize $16 million for section 202 work in fiscal year 1983 and I urge that figure be approved.

What I want to state here, Mr. Chairman, Haysi could be funded under section 202, but aside from section 202 because of the OMB changing the minds down there so darn often, I think we ought to put $1 million in there to commence the advance engineering and design of Haysi Reservoir and specially earmark it for that purpose.

KENTUCKY RIVER OPERATION AND MAINTENANCE

Finally, because we in Kentucky have so many miles of streams, navigable and otherwise, the work of this committee is extremely important to us. That great highway of commerce—the Ohio River—forms the northern border for hundreds of miles and continues to be a vital part of our lives and our economy.

Modernization of the great flood protection and navigable facilities on the Ohio continues, and I appreciate the committee's efforts to insure that the work goes on. Likewise, I hope the committee will provide funds to maintain the Kentucky River in its full navigational and flood control capabilities.

They contend down there that at present they do not have the funds. But those locks are small and I personally witnessed in the early 1950's the steel that was brought in there from the formation of the Ohio, from Pittsburgh, and through all those locks to construct a bridge that collapsed in Baileyville, Ky., and those locks, because of the coal deposits in the upper Kentucky River area, are well worth preserving, in my judgment.

Our transportation system is on the decline anyway in this country, and I think we should preserve those old locks.

Mr. Chairman, I want to call on Mr. Paul Patton at this time to make a statement.

Senator HUDDLESTON. Mr. Patton, welcome to the committee.

HAYSI RESERVOIR, KY., VA., AND W. VA.

STATEMENT OF PAUL PATTON, PIKE COUNTY, KY.

Mr. PATTON. Thank you, Mr. Chairman.

Senator HUDDLESTON. I know of your dedication to Pike County, which is the largest county in Kentucky in area and the biggest coal-producing county in the United States. Glad to have you.

Mr. PATTON. Yes, sir, Pike County is the largest area in Kentucky. I have with me five gentlemen from different sections of Pike County that have come up here to impress upon the committee the need for consideration of particularly the Haysi Reservoir project, which is important to flood protection in the city and the area around Pikeville and, I believe, the total program for the Tug Valley.

Time does not permit us to get into the technical merits of both of these projects, but let me say on the Haysi project, there are, I believe, in the overall plan for the protection of the Levisa Fork of the Big Sandy River, four flood control projects—three of those have been completed and they certainly have held and have reduced the threat to this area of Kentucky. But I would liken this to something like an automobile with four slick tires.

Obviously, we can perceive the dangers that would potentially bring about. Well, we have replaced three of those tires, but there is one more tire that still needs to be replaced before this project is completed. And until that is done, the people in the Levisa Fork basin cannot rest easy at night. The situation on the Tug Fork is even more critical in that being a very difficult job, nothing has been done to reduce the flooding in this area and, unfortunately, it does not lend itself as well to dam impoundments of the nature of the Levisa Fork.

So the Corps has come up with a comprehensive and varied program to reduce the flooding in this area, including relocation in certain communities. So let me urge that this project be continued and implemented.

If I might take a moment to talk to you about the trauma that could be caused by flooding that cannot be measured in benefit-cost ratio. As an individual, I was a victim of the 1957 flood. As a young businessman in 1963 just getting started, our business was a victim of the flood—we were almost broke before we even got started. In the 1977 flood, I, as a concerned neighbor, brought about 30 of our employees and 15 pieces of heavy equipment into the city of Pikeville and participated in hauling off millions and millions of dollars worth of furniture, television sets, pianos, couches, mattresses, all of the things that many people have worked a lifetime to accumulate and we just hauled it off in the back of a coal truck.

SOCIAL IMPACTS

But those things can be measured in monetary terms and can be compared on a benefit-cost ratio. But let me talk to you about some of the things that cannot be measured and yet they are an important element in what our Constitution guarantees us, that is the right to life, liberty, and the pursuit of happiness—the emotional aspects. For instance, my mother-in-law who lost her husband in 1950, has been the victim of three floods—1957, 1963, and 1977. Each time she lost some of the memories of her husband to the point that now she has nothing, not a picture, not an old campaign poster of him as a politician. Only what we can gather up throughout the county. Recently we had occasion to visit in the county and my wife went into a living room and saw a campaign poster of her father, the only one we know to be in existence, because all the rest of them have been destroyed in the three floods.

Or let me tell you about a lady whose name I do not know, but she was about 70 years old. After the 1977 flood, we were trying to help her clean her house up, trying to get the mud and the carpets out of her house, and she was entranced. She had lost everything that she had and she was too old to start over. She was sitting on the front porch rocking in her rocking chair with all of the activity going on around her and completely oblivious to it.

Or let me tell you about a child that I ran into recently—and you know the possessions of the wealthy will be more valuable in dollar amounts than the possessions of the poor, but when it comes to the emotions of the poor, they are just as valuable, the memories of the poor are just as valuable as the memories of the wealthy. I was touring the county some year or so ago and ran into a family that was bragging to me about an accomplishment of one of the members of the family, and this was a family that was so low on the social economic scale that there was nothing that they could really point to as a sense of accomplishment, nothing that they could be proud of except for the accomplishment of one child that was in grade school that had won some trophy or some kind of an award, and they were trying to describe to me what this had been and you could see the pride that they felt in the accomplishments of that child. And yet the material presence of that award had been lost in the flood in 1977.

Let me urge you to consider the hard dollars and cents that I am sure the committee must take into consideration; let me urge you to take into consideration the human values which you won't find on a piece of paper. We do not live in the flood plain because we choose to live in the flood plain; we live in the flood area because there is no place else to live in this valley. I appreciate this opportunity to present these facts to you.

YATESVILLE LAKE, KY.

I urge the committee to give serious consideration to all of these projects, and let me put in one point for the Yatesville project which is not in my county but is about 3 miles from where I grew up. Let me say, again, in the emotional terms, my aunt, who has lived alone all of her life, was inundated in the 1977 flood, never returned to her house, is now dependent upon family for support. She had to move to Morehead and be dependent on her older sister because of the 1977 flood, probably didn't lose more than $1,000 worth of possessions in that flood because that is all she had.

Now that doesn't show up much in the statistics, but to me her happiness, her ability to be independent is as important as the welfare of someone who may have lost a $100,000 home.

So, give these things consideration, too. Understand that we are in a unique area. That is important to this Nation as far as energy is concerned. We want to live there and provide this Nation with the coal that it so desperately needs and we need your help to have a life which is enjoyable and which is free from the fear of flooding each time we hear it rain at night.

Thank you.

Senator HUDDLESTON. Congressman Perkins?

Mr. PERKINS. Right now I want to call on former Congressman Fisher, who is representing Governor Robb.

Senator HUDDLESTON. With your indulgence, I am going to suspend for just a minute and introduce my colleague, the Senator from Oklahoma, Senator Boren, who wants to make some comments and introduce the witnesses who will follow the Kentucky group.

OKLAHOMA WATER RESOURCE DEVELOPMENT PROJECTS

STATEMENT OF HON. DAVID BOREN, U.S. SENATOR FROM OKLAHOMA

Senator BOREN. Thank you, very much, Mr. Chairman, Senator Garn, and the distinguished Congressman from Kentucky, whom I would fear to interrupt on any proceeding that touched on the affairs of the State of Kentucky, I can assure you this morning.

Mr. Chairman, I am sure you and I can unite our efforts here and understand we need to work together for the interest of both our States. I appreciate this courtesy very, very much.

I apologize; I do have to go over to a meeting of another committee that is in progress, and we have a number of people here today from the Arkansas Basin Development Association and I did want the opportunity, Mr. Chairman, to introduce them and to comment briefly on the subject which they will bring up.

INTRODUCTION OF WITNESSES

As you know, the development of the Arkansas River basin is of extreme importance, not only to the State of Oklahoma but to surrounding States as well. There are representatives here today of the States of

Missouri, Arkansas, Kansas, and Colorado, as well as from the State of Oklahoma, all of whom are involved with the work of the Arkansas Basin Interstate Commission, and they will be represented today by Mr. Gale Graham of Joplin, who will present the remarks of the committee.

Also testifying will be Mr. Dow Damron from Oklahoma, executive vice president of the Arkansas Basin Development Association. We expect to have with us at the time of testimony, Mr. Robert Kerr, Jr., who is president of Oklahoma Water, Inc., a long-time proponent of water development in the entire southwestern area and, of course, with an interest that is now in the second generation of the Kerr family, since the original project, of course, was developed largely through the work of Senator Kerr and Senator McClellan.

Also we will be hearing from Harold Scoggins, from Muskogee; from Bob Wright, the executive director of the Muskogee Chamber of Commerce; Jim Lay, who represents the Governor's office of Oklahoma; Jacques Cunningham, port director, Tulsa Port of Catoosa.

We also will have a delegation fron Salisaw, Okla., including Joe Johnson, State senator from that area, with whom I had the privilege of serving as a member of the legislature and an outstanding public official in our State.

Also we have Mr. Lloyd Haskins, former city manager of Salisaw and member of the port authority there.

So as not to take any more time away from the pending business, Mr. Chairman, I would just say that the development of the water resources of this basin are very important to us in a number of respects, both from the water supply point of view, a very precious commodity, as I know the Senator from Utah is well aware.

It has become more obvious to us each day. We must develop these resources if we are going to be able to sustain the economic health of our region. It is also important to us on a continued basis from the point of view of transportation. I know that Senator Huddleston knows, from his work on the Agriculture Committee, the transportation network in many parts of the country continues to deteriorate in terms of moving our agricultural produce.

The rail network has been deteriorating. So, additional ports to move goods along the Arkansas River, particularly agricultural products, become critically important to the health of our farmers.

We are hearing specifically about the Sand Lake project which has been languishing since 1962. I would urge the committee to give very serious consideration to it as well as to the Port of Salisaw project which will be a very important part of the commercial development of east Oklahoma and western Arkansas.

You will be hearing testimony about that. I simply want to endorse the testimony that you will be hearing from the Arkansas Basin Commission and the development association.

I might ask, Mr. Chairman, if it would not be out of order, for those who are here representing the association, those whose names I have mentioned, if they would please stand as a group at this time so that the committee will know who they are. They will be testifying. I don't know if they will all be reading statements to you, Mr. Chairman. I will just put your mind at ease. But you can see the strong interest that is represented by the presence of all of these this morning.

Again, I want to express my appreciation for the courtesy you have shown to me.

And Congressman Perkins, thank you for letting us interrupt. We have had the privilege of working together on many projects before and I just appreciate the opportunity to make this presentation.

Senator HUDDLESTON. Thank you, Senator.

We will wrap up the Kentucky projects here as rapidly as we can, Congressman Perkins.

HAYSI LAKE, KY., VA., AND W. VA.

STATEMENT OF JOSEPH FISHER, FORMER U.S. REPRESENTATIVE FROM VIRGINIA, AND SECRETARY, VIRGINIA STATE DEPARTMENT OF HUMAN RESOURCES

Mr. PERKINS. Congressman Fisher, our former colleague, has been out of the House only 2 years. He is representing Governor Robb on the Haysi Reservoir.

Senator HUDDLESTON. We have your statement, Congressman. We will include that in the record.

Mr. FISHER. Thank you very much, Mr. Chairman.

[The statement follows:]

STATEMENT OF JOSEPH L. FISHER, VIRGINIA STATE SECRETARY OF HUMAN RESOURCES

THE TOWN OF HAYSI IS LOCATED IN THE VALLEY OF RUSSELL FORK AT THE CONFLUENCE OF MCCLURE RIVER WITH RUSSELL FORK IN DICKENSON COUNTY, VIRGINIA.

IN THE LATE 1930'S, AS PART OF THE 1938 FLOOD CONTROL ACT, THE HAYSI RESERVOIR PROJECT, WHICH WOULD BE LOCATED ON RUSSELL FORK IN DICKENSON COUNTY, WAS INCLUDED AS A UNIT IN A COMPREHENSIVE PLAN FOR REDUCING FLOOD DAMAGES IN THE OHIO RIVER BASIN, OF WHICH THE DRAINAGE AREA UPSTREAM FROM HAYSI IS A PART.

FLOOD DAMAGES THAT HAVE OCCURRED ALONG RUSSELL FORK IN AND DOWNSTREAM FROM THE TOWN OF HAYSI HAVE BEEN FAR MORE EXTENSIVE THAN CAN BE MEASURED IN FISCAL RESOURCES ATTACHED TO PRIVATE PROPERTY AND PUBLIC FACILITIES. THE LIVES OF MANY RESIDENTS HAVE BEEN SHATTERED AS THE ACCUMULATIONS OF A LIFETIME HAVE BEEN SWEPT AWAY MANY TIMES BY RAGING FLOOD WATERS. THE HOMES AND PROPERTY OF OTHERS IN AND DOWNSTREAM FROM THE TOWN OF HAYSI HAVE BEEN SERIOUSLY DAMAGED. WITH THESE PERIODIC FLOODS, PUBLIC SERVICES SUCH AS WATER SYSTEMS, WASTEWATER SYSTEMS, ELECTRIC POWER GENERATION SYSTEMS AND HIGHWAY AND OTHER TRANSPORTATION SYSTEMS HAVE BEEN INTERRUPTED BY THE HEAVY RAINS AND HIGH VELOCITY OF RAVAGING FLOOD WATERS. THE EMOTIONAL SCARS ON THE RESIDENTS OF THE AREA CANNOT BE ACCOUNTED FOR IN THE FISCAL ASSESSMENT OF DAMAGES.

DURING THE PAST QUARTER CENTURY DEVASTATING FLOODS HAVE VISITED HAYSI AND THE AREAS ADJACENT TO RUSSELL FORK SEVERAL TIMES. THE MOST NOTABLE FLOODS OCCURRED IN 1957 WHEN FLOOD DAMAGES AMOUNTED TO $4.5 MILLION; IN 1963, WHEN DAMAGES APPROACHED $5.5 MILLION; AND AGAIN IN APRIL 1977 WHEN FLOOD WATERS WHICH REACHED NINE FEET IN THE BUSINESS DISTRICT OF HAYSI CAUSED DAMAGES IN THE ORDER OF $8 MILLION. THERE IS LITTLE DOUBT THAT THE PROSPECTS ARE FAVORABLE FOR THE CONTINUED OCCURRENCE OF FLOODS AND DAMAGES OF SIMILAR MAGNITUDE IN THE FUTURE.

THE NEED FOR MEASURES WHICH WOULD ELIMINATE OR MINIMIZE THE FLOOD DAMAGE POTENTIAL ALONG RUSSELL FORK IN HAYSI AND DOWNSTREAM THEREFROM, TO ME, IS OBVIOUS. I AM AWARE OF THE FACT THAT CONGRESS, IN SECTION 202 OF THE ENERGY AND WATER APPROPRIATIONS ACT OF 1981, AUTHORIZED AND DIRECTED THE SECRETARY OF THE ARMY, ACTING THROUGH THE CHIEF OF ENGINEERS, TO DESIGN AND CONSTRUCT, AT FULL FEDERAL EXPENSE, SUCH FLOOD CONTROL MEASURES ON THE BIG SANDY RIVER AND TRIBUTARIES AS THE CORPS OF ENGINEERS DEEMS NECESSARY AND DESIRABLE TO AFFORD THE AFFECTED COMMUNITIES A LEVEL OF PROTECTION AGAINST FLOODING AT LEAST SUFFICIENT TO PREVENT ANY FURTHER LOSSES TO THOSE COMMUNITIES FROM THE LIKELIHOOD OF FLOODING SUCH AS OCCURRED IN APRIL 1977.

THE FLOOD DAMAGE AREA IN AND AROUND HAYSI ALONG RUSSELL FORK LIES WITHIN THE AREA FOR WHICH THE CONGRESS HAS DIRECTED THAT FLOOD CONTROL MEASURES BE DESIGNED AND CONSTRUCTED. I AM AWARE THAT THE U.S. ARMY CORPS OF ENGINEERS CURRENTLY IS EVALUATING COMPONENTS FOR INCLUSION IN A SYSTEM BEING DESIGNED IN RESPONSE TO SECTION 202 OF THE 1981 ENERGY AND WATER APPROPRIATIONS ACT. IT IS MY UNDERSTANDING THAT THESE COMPONENTS INCLUDE THE HAYSI DAM WHICH WAS IDENTIFIED IN THE FLOOD CONTROL ACT OF 1938.

AS WE KNOW IT, THE HAYSI PROJECT WOULD PROVIDE APPROXIMATELY 68,000 ACRE-FEET FOR USE IN THE STORAGE OF FLOOD WATERS AND WOULD PROVIDE CAPACITY TO STORE RAINFALL RUNOFF EQUAL TO 14.5 INCHES FROM A DRAINAGE AREA OF ABOUT 88 SQUARE MILES. THE PROVISION OF THIS AMOUNT OF STORAGE WOULD CERTAINLY BE SUFFICIENT TO OBVIATE DAMAGES OF THE ORDER OF MAGNITUDE THAT OCCURRED DURING THE APRIL 1977 FLOOD. IN ADDITION TO THE BENEFITS TO BE DERIVED FROM THE FLOOD CONTROL ASPECTS OF THE PROJECT, BENEFITS CONCEIVABLY COULD BE DERIVED FROM USE OF WATER STORED AS A SOURCE OF WATER SUPPLY AND FURTHER, THE PROJECT CONCEIVABLY COULD PROVIDE FLATWATER RECREATIONAL OPPORTUNITIES IN THE AREA. THE DEPENDABLE FLOW IN RUSSELL FORK COULD ALSO BE INCREASED FROM SUCH A PROJECT FROM THE REGULATION OF STORAGE DURING PERIODS OF DROUGHT.

I FULLY REALIZE THAT THE SPECIFIC DETAILS AND RECOMMENDATIONS RELATIVE TO THE HAYSI PROJECT HAVE NOT YET BEEN FULLY DEVELOPED BY THE CORPS OF ENGINEERS AND IN VIEW OF THAT FACT, WE CANNOT ASSESS COMPLETELY THE IMPACTS THAT THE PROJECT WOULD HAVE IN VIRGINIA. THAT FACT NOTWITHSTANDING, THE POTENTIAL BENEFITS APPEAR TO BE JUSTIFIABLY SUB-

STANTIAL AND THE COSTS WILL BE BORNE WHOLLY BY THE FEDERAL GOVERNMENT IN A SORELY NEEDED PROJECT FOR PROTECTION AGAINST FLOOD DAMAGES.

IN SUMMARY, WE SUPPORT CONSTRUCTION OF THE HAYSI PROJECT FOR THE FOLLOWING REASONS:

1. IN ORDER TO AMELIORATE THE SUBSTANTIAL FLOOD DAMAGES WHICH OCCUR WITH PERIODIC FREQUENCY;
2. SO THAT THE POTENTIAL BENEFITS TO THE IMPROVEMENT OF DROUGHT FLOWS IN RUSSELL FORK MAY BE REALIZED;
3. SO THAT ANCILLIARY BENEFITS IN THE NATURE OF WATER-BASED RECREATION MAY BE REALIZED; AND
4. FOR THE POTENTIAL WATER SUPPLY BENEFIT THAT MAY EXIST IN THE RESERVOIR PROJECT.

THE COMMONWEALTH FULLY ENDORSES THE PROJECT AS WE NOW UNDERSTAND IT BUT WOULD APPRECIATE THE OPPORTUNITY TO REVIEW DETAILED PLANS PRIOR TO SUBMISSION OF A FINAL ASSESSMENT OF THIS MATTER.

Letter From Gov. Charles S. Robb of Virginia

March 12, 1982

The Honorable Carl D. Perkins
U. S. House of Representatives
Washington, D. C. 20515

Dear Congressman Perkins:

Thank you for your letter of February 8 concerning the proposed Corps of Engineers flood control reservoir on the Russell Fork River at Haysi, Virginia.

I share your concern that measures need to be taken to prevent or reduce flood damage in that area shared by our two states. After the devastating flood of April 1977, Virginia supported the reevaluation of the long-dormant Haysi dam proposal.

The Corps of Engineers is currently designing a system of flood control projects for the Ohio River Basin as authorized by the Energy and Water Appropriations Act of 1981. I understand the Haysi Reservoir is being considered as a possible component of that system. I hope the Corps of Engineers recognizes the needs of the Russell Fork drainage area and recommends that the Haysi project be included. When the Corps completes its plan and the details of the Haysi project are specified, we will be in a better position to support funding for it.

Thank you for your interest in this matter.

Sincerely,

Charles S. Robb

STATEMENT HIGHLIGHTED

Mr. FISHER. I am honored to be here before the Senate committee again; it feels good. The town of Haysi, the project I wish to speak on very briefly, is located, of course, in the valley of Russell Fork where the McClure River comes in and Dickenson County, Va.

This project is important to Virginia as well as Kentucky. In the late 1930's, as part of the 1938 Flood Control Act, the Haysi Reservoir project was included as a unit in a comprehensive plan for reducing flood damages in the whole Ohio River system.

Flood damages, of course, have occurred along Russell Fork in the vicinity of Haysi from time to time. The damages have been extensive, not only the damage to physical property but the other kinds of damages, more important, that have been described by the previous speaker from the area.

Lives have been shattered in this area, as they have elsewhere in the country, where floods occur. These floods also take with them other public facilities—water systems, waste water systems, electric power generations systems, highways, and all the rest that come with floods.

During the past quarter century, as Congressman Perkins has noted, there have been several very severe floods. The one in 1957 entailed estimated damages of $4.5 million; in 1963, $5.5 million; the great flood in 1977, $8 million at the minimum; and there is little doubt that there will be more floods every few years in this area unless we do something about it.

The need for measures which would eliminate or minimize the flood damage in the Haysi area is obvious. We are aware that Congress in section 202 of the Energy and Water Development Appropriations Act of 1981 authorized, directed the Secretary of the Army, acting through the Chief of Engineers, to design and construct flood control measures on the Big Sandy and its tributaries—such as this one—as the Corps deems necessary and desirable to afford the affected communities a level of protection against the flooding, at least sufficient to prevent any further losses to those communities from the kind of damages they were suffering most recently in 1977.

The flood damaged area around Haysi lies within the area from which Congress has already directed that flood control measures be built.

I am aware that the Corps currently is evaluating components for inclusion in the system being designed in response to section 202. It is my understanding that these components include the Haysi Dam which was identified so long ago.

As we know it, this project would provide some 68,000 acre feet for use in storage of flood waters and would provide capacity to store runoff equal to 14.5 inches from a fairly low large drainage area.

This should be sufficient to contain most floods, certainly floods of the order and magnitude as that of 1977. In addition, there would be benefits from the water storage, a source of public water supply. Furthermore, there would be significant flat water recreational opportunities in the area. And these always bring an infusion of economic activity to areas like this.

Downstream, the dam would hold back water at critical times and be able to release water in drought times and would stabilize water conditions downstream in Virginia, and especially in Kentucky.

I fully realize that the specific details and recommendations relative to the Haysi project have not yet been fully developed by the Corps of Engineers and, in view of that fact, we cannot completely assess the economic and other impacts. But notwithstanding the potential benefits, whether you estimate them in the conventional benefit cost terms or in more human terms, the potential benefits clearly appear to be substantial and to justify the construction of this long, long delayed project.

In summary, Mr. Chairman, we in Virginia support construction of the Haysi project. It would very much reduce the risk of flood damage in Virginia and Kentucky and that part of the world. Second, potential benefits would flow from stream regulation, both in flood times and in drought. Third, there would be the related benefits from water-based recreation. And fourth, the potential water supply benefit for community and other uses is clearly there.

The Commonwealth of Virginia fully endorses the project as we understand it. We will appreciate a chance to examine the plans in detail when they are prepared but there is no doubt in our mind that this long-overdue project should be built promptly.

That concludes my statement, Mr. Chairman.

Senator HUDDLESTON. I understand that Senator Wendell Ford, Congressman Gene Snyder, and Congressman William H. Natcher, who strongly support the water resource projects in Kentucky will probably be sending prepared statements. Those will be included when received.

Mr. PERKINS. Let the other witnesses from Pikeville all come around the table and Paul Patton will call on you.

Senator HUDDLESTON. Congressman, let me suggest we have now used double the amount of time that was allocated for this particular section of the hearing. We have friends here all the way from South Dakota and Utah who have come a long way. We want to give everybody a chance.

Mr. PATTON. If I may introduce them.

Senator HUDDLESTON. I don't want to impose on my colleagues who you are going to have to depend on for help to get these projects through. We have a serious problem.

Mr. PATTON. Everett Thompson from the south Williamson section of the county, Jack Blackburn from Kentucky Fork, and John Henessy from the Pikeville area.

We appreciate the opportunity to appear. Thank you.

Senator HUDDLESTON. Thank you, very much.

Anything you have written that you can put into the record will be very helpful to us at this time. So we can move on.

Mr. PERKINS. Speak right now.

STATEMENT OF EVERETT THOMPSON, WILLIAMSON, W. VA.

Mr. THOMPSON. I come bearing gifts.

Senator HUDDLESTON. You will have to refer those to the Ethics Committee. We cannot take any gifts. [Laughter.]

Mr. THOMPSON. I am Everett Thompson. I live in Williamson, W. Va., but I have a business located in Pond Creek in Kentucky. Those little items I brought and left up there are the most popular gift items in our area.

We gave away about 500 of those a year and have been doing it ever since the flood of 1977.

We have moved my business out on the average of every 11 months since 1963 and I am up here to help my neighbors as well as myself because I am getting ready to spend $1 million to get above the flood plain.

Our area has been subject to flooding—I made my first trip here in a Kaiser automobile, so you can imagine how far back that was and we feel it is time.

Senator HUDDLESTON. I hope you have more success than with your selection of automobiles.

Mr. THOMPSON. We feel it is our turn to get something from Washington.

Thank you.

Mr. PERKINS. Let me say that Everett Thompson has been coming up here working with us for 30 years and working down there with us. Take 30 seconds. We have two Governors here we are waiting on.

Mr. THOMPSON. I have evidence it has been through the flood.

Senator HUDDLESTON. I appreciate that.

STATEMENT OF SIDNEY COPLEY, PIKE COUNTY, KY.

Mr. COPLEY. I am Sidney Copley from Pike County, Ky. I want to say as briefly as possible, we have been flown over; we have been looked over; we have been studied over; we have been overstudied, and, lastly, and most important, we have been overlooked.

From the Corps' own survey provided after the 1977 floods, we had over $217 million worth of damages in the Tug Fork alone and it contributes a 500-year flood. It isn't 500 years. We started with a major flood in 1957, a larger flood in 1963, and then the greatest of all in 1977. We had $44.9 million in business losses, and physical losses, $126.6 million. Energy costs, emergency costs by the Federal Government, $25.8 million.

Gentlemen, I say today that if we want to practice economics, I think it would be far cheaper for the Federal Government and all the people to build some flood controls.

Mr. PERKINS. Mr. Chairman, I just want to state that this gentleman has been chairman of the Williamson Chamber of Commerce and has been working 30 years diligently for flood control and has seen the opportunity for money to be appropriated for a water pump on the whole of Pond Creek and to see it turned down by a certain administration at one time or another in Pike County.

Senator HUDDLESTON. Thank you, Congressman.

Mr. PERKINS. The next witnesses we want to call on here is on Yatesville.

Senator HUDDLESTON. We will accommodate a couple of statements on the Yatesville project, then we will wrap up testimony.

Mr. PERKINS. Gc ahead, R.C., right quick.

YATESVILLE LAKE, KY.

STATEMENT OF R. C. WELLS, LOUISA, KY.

Mr. WELLS. I an R.C. Wells from Louisa, Clark County, Ky. I operate a small business in Louisa and serve on the board of directors of five county area development districts.

The counties are composed of Lawrence, Floyd, Green, Carter, and Elliott, in northeastern Kentucky. I point out that three of these counties border on other States, so this project is not just confined to the one State of Kentucky. The communities of Fallsburg, Mechanicsburg, and Ashland in Kentucky would be protected by the Yatesville Reservoir.

In West Virginia, the communities of Prichard, Nellis, and Alma. For Ohio, South Point, Coal Grove, and Ironton.

There is just one other point that I would like to make and that is, in 1957, 1963, and in 1977, our areas sustained more than $500 million in flood damages. Yatesville Reservoir is one of the last reservoirs in a series of reservoirs or dams to protect this area.

We have had much damage since that time. And I just want to urge the committee to continue the appropriations and get this project completed as soon as possible.

[The statement follows:]

Mr. WELLS. I would like for Gene Marvin to say a word.

STATEMENT OF R. C. WELLS, LOUISA, KY.

I am R. C. Wells, from Louisa, Lawrence County, Ky. I operate a small business in Louisa and serve on the board of directors of a five-county (FIVCO) area development district composed of Lawrence, Boyd, Greenup, Carter, and Elliott. I should like to point out three of these counties border on West Virginia and Ohio. Even though the Yatesville flood control project is located wholly in Lawrence County, Ky., it will help control flooding in three States. In Kentucky, the communities of Fallsburg, Buchanan, Burnaugh, Catlettsburg, and Ashland; in West Virginia, Prichard, Neal, Ceredo-Kenova; and in Ohio, South Point, Coal Grove, and Ironton.

The Yatesville project was authorized by Congress in 1965, funds were appropriated in 1973, and a construction contract awarded in 1976. Thirteen thousand acres of land was purchased and 700 people relocated from the area. Over $12 million has been spent thus far on the project.

In 1977, construction was abruptly brought to a halt and the contractor was paid a significant amount to pull off the job. It was 1981 before appropriations were resumed.

At a meeting with Congressman Perkins and the Corps of Engineers in Huntington, W. Va., in December 1980, Col. James H. Higman and his staff told a delegation from Lawrence and Boyd Counties a contract could be let by 1983 if a sizeable appropriation was forthcoming. Congress appropriated $2 million in 1981 and $4 million in 1982, yet the contract for construction has not been awarded. Furthermore, at a meeting of the Louisa Rotary Club on January 12, 1982, at which Col. Higman and Congressman Perkins were present, Col. Higman stated: "A contract would not be let in 1983 and that the only work being done was the relocation of the many small-family cemeteries from the impoundment area." Of the $6 million appropriated for the years 1981 and 1982 only $700,000 to $800,000, or about 10 percent, is being used.

The Assistant Secretary of the Army (Civil Works), in a letter dated March 11, 1982, to many local residents, in response to a letter of inquiry as to why construction had not begun, said: "It seems to me that further funds should not be expended for construction." This statement seems to question the wisdom of Congress in their authority to appropriate and use funds."

In 1957, 1963, and 1977, our area sustained more than $500 million in flood damage. Since then, appreciably more damage has resulted from flooding. The Yatesville project is one of the last projects in a series of reservoirs that will greatly reduce this devastation.

I thank you for the opportunity to appear before your committee and urge the continuation of appropriations to bring the Yatesville project to completion.

STATEMENT OF GENE MARVIN, MANAGING EDITOR, BIG SANDY NEWS, LOUISA, KY.

Mr. **Wells**. I would like for Gene Marvin to say a word.

Mr. **Marvin**. I am Gene Marvin, Jr., managing editor of the Big Sandy News in Louisa. I have been in Louisa since 1974, but I am familiar with the Yatesville project back in 1972 when the final preliminary hearing of the Corps of Engineers was conducted.

At that time there were less than five people who opposed it. Now it has become the object of extortions, untruths, and downright damn lies.

I want to read a letter I received from William Gianelli, Assistant Secretary of the Army. You just take in mind this is after we had $2 million allocated in the last year of the Carter administration and $4 million allocated in the first year of the Reagan administration; a total of $6 million:

> Dear Mr. Marvin:
>
> Thank you for your recent letter concerning the Yatesville Lake project in Lawrence County, Ky.
>
> This project was authorized in 1965 and involves the construction of a rock fill dam at an estimated cost of $96.7 million. The proposed project, as now formulated, would control a drainage area of 208 square miles, but have only a minor impact on the flooding of the Big Sandy River. Moreover, Ashland, the nearest downstream urban center, is already protected against the flood of record which occurred in January 1937. Flood damage reduction accounts for 26 percent of total project benefits. The remainder is primarily recreation and water quality.
>
> It seems to me that further funds should not be expended for construction and an attempt should be made to reformulate this project so that it will provide a higher degree of flood protection or possibly include other purposes in which local interests can jointly participate.
>
> I appreciate receiving your views on this project.
>
> Sincerely, William R. Gianelli, Assistant Secretary of the Army (Civil Works).

I would like to know where this man—I assume he works for the taxpayers; I assume he works for the Congress—has the right to overrule what has been done in the past, overrule the amount of $12 million——

Mr. **Perkins**. Let me interrupt this. They are getting very discouraged up here about the time we are taking. We will have to stand aside.

Let me ask all my people to stand aside at this time, and Senator Huddleston and others will stay here and hear you this afternoon.

Some of the people are getting very restless on the committee because of other witnesses here today.

Senator **Huddleston**. I thank the Congressman.

I think that is a good suggestion, because we cannot impose on our other friends who have come so far and other members of the committee who, as I say, are very important to us in working out the proper approach to these problems. Senator Boren has already introduced the delegation relating to his area of the country and we will get to its testimony very shortly.

Senator Garn, if you want to proceed at this time, since the Governor of Utah is here, we will shift in that direction.

CENTRAL UTAH PROJECT

STATEMENT OF HON. JAKE GARN, U.S. SENATOR FROM UTAH

Senator GARN. I thank the Senator from Kentucky and I would only say to Congressman Perkins, that all of his witnesses have had the opportunity to be heard. But I do think that a request should be made for the amount of time to the chairman of the subcommittee so that it is scheduled in advance. Now, the second group was scheduled at 10:15 and then at 10:20, 10:35, and 10:45. I certainly do not want to deny the Kentucky delegation or distinguished Congressman from Kentucky the opportunity to be heard, but I would suggest that next year if there is to be such a large delegation, the committee be notified so that time could be scheduled thereby allowing the orderly testimony of all of the following witnesses and they would have the opportunity to appear as scheduled and not be held up.

Certainly, I don't want to deny the opportunity to be heard to anyone, any delegation, but it might be a little better procedurally if next year we could have a little more knowledge beforehand of the amount of time necessary for any particular delegation.

INTRODUCTION OF GOV. SCOTT MATHESON OF UTAH

Governor, I am happy to welcome you to the subcommittee today. The Central Utah project has been one that has been in existence for more than 20 years, has been unanimously supported by virtually every elected public official in the State of Utah, regardless of political party.

The Governor and I do not share the same political party. He is rather unique in our State. About the only Democrat left, at least for awhile, but we were fraternity brothers. He was one that got away from the rest of us when we were in college, but has been a fine Governor.

We are proud of him and certainly we are in agreement on the support of the Central Utah project. He and I work very closely together during the time we have shared public office, the Senate and him as Governor in support of a valuable project.

Senator Boren mentioned when he was here earlier that we in Utah understood the lack of water, and if they have a problem in Oklahoma, Utah is many, many times dryer, the second most arid State in the entire country.

Most of our moisture falls in the form of snow, not as rain. Virtually every summer we go 90 days with no measurable precipitation at all.

So to sum it all up, it is a matter of that wonderful snow pack we ski on, when it melts in the spring, if we don't have an opportunity to store it to carry us through the summer, there is no water for the summer months and gets very dry toward August and early September.

Governor, we thank you very much for your willingness to come from Salt Lake City to testify on behalf of the Central Utah project this morning.

STATEMENT OF HON. SCOTT MATHESON, GOVERNOR OF UTAH

ACCOMPANIED BY LYNN LUDLOW, GENERAL MANAGER, CENTRAL UTAH WATER CONSERVANCY DISTRICT

Governor MATHESON. Thank you, very much, Senator.

I very much appreciate the opportunity to be here.

My remarks will be brief.

First of all, may I provide for the record a statement by R. Roscoe Garrett, president of the Central Utah Conservancy District, who is here today.

If that could be made part of the record, along with a statement by L. Y. Siddoway, who is the manager of the Uintah Water Conservancy District.

Senator GARN [presiding]. Without objection, both statements will be included in full in the record.

Governor MATHESON. And may I also have my statement included in the record as well.

Senator GARN. Certainly.

[The statements follow:]

STATEMENT OF GOV. SCOTT M. MATHESON OF UTAH

As Utah's governor, I would like to express appreciation of my state and citizens for the continued support of this committee and the Congress for the Central Utah Project.

Utah's situation and economic profile are somewhat unique. We have been dramatically affected by the current national recession--layoffs by our major mining and manufacturing concerns have become a common and disturbing occurrence. At the same time our general outlook is good, with pockets of significant activity, and our population continues to grow--a product of the nation's highest birthrate and constant inmigration.

Growth in the energy sector is strong and is expected to continue. Oil and gas activity in the Overthrust Belt area, construction of the 3,000 megawatt Intermountain Power Project, expanded markets for Utah coal and the stirrings of oil shale development all promise to expand the use of Utah resources to meet national needs.

I offer this brief background on our economic situation because it will greatly impact the issue at hand: water development. A critical component common to all resource and industrial development and population growth is water. Utah's growth depends on our ability to make the most of our limited water resources. The Central Utah Project has become an essential part of the state's water plan for transporting, storing and distributing water to meet growth and development needs.

I heartily encourage your approval of the President's 1983 Fiscal Year Budget recommendation of $89,969,000 for the Central Utah Project. A basic breakdown of this funding request is as follows:

Unit	Amount	Purpose
Bonneville Unit	$76,623,000	Construction
Jensen Unit	6,249,000	Construction
Upalco Unit	1,000,000	Construction
Uintah Unit	500,000	Advance Planning
Section 8 Funds (non-reimbursable)	2,597,000	All of Utah
TOTAL	$89,969,000	

Most of the requested appropriation will be used for construction of the Bonneville Unit. The foundation of the project's Upper Stillwater Dam is underway and the embankment of the dam is scheduled for construction. The Strawberry Aqueduct, a system of pipelines, canals and tunnels to convey water 37 miles along the south side of the Uintah Mountains, has the go-ahead. Also the Vat Tunnel is scheduled to be completed during 1983, as well as the Rhodes and Hades Tunnel Complex.

The Central Utah Project was authorized 26 years ago for construction by the Bureau of Reclamation as part of the Upper Colorado River Storage Project. Current and potential benefits from the Central Utah Project include water for municipal and industrial uses, irrigation of critically-needed farmlands, the generation of clean hydroelectric power, recreation, fish and wildlife, and the control of flood dangers and associated economic losses. The Central Utah Project has become an assurance to our growing communities that a dependable supply of high quality water will be available.

Fish and wildlife benefits result from fishing on project reservoirs and enhanced hunting opportunities for upland birds and waterfowl. Wildlife enhancement and mitigation is a planned part of all project features. These benefits arise from closely coordinated planning efforts by the U.S. Bureau of Reclamation specialists and our own Utah Division of Wildlife Resources with the support and help of the U.S. Fish and Wildlife Service. A recent agreement between the Secretary of the Interior, the project sponsors and my office, has substantially increased the guarantees for flowing streams and fishing.

The state of Utah is supportive of the President's desire for states and project beneficiaries to share costs with the federal government on future water projects. We look forward to reviewing the proposals of the Cabinet Council on Natural Resources and the Environment in this regard. We fully expect, in consonance with the "good neighbor" philosophy of the Department of the Interior and the administration, that the states will be accorded the opportunity to help mold the final policy guidelines for cost-sharing by the states and the federal government.

Cost sharing on major projects is not a new concept and, in fact, is being implemented on some elements of the CUP. The Central Utah Water Conservancy District Board of Directors, representing the 12 most populated counties in the state, is using local funds to construct complementary facilities necessary to deliver project water to the citizens within the district. The district has constructed three water treatment plants. Investments of $30 million in these facilities have been made in anticipation of completion of the several units of the CUP. These plants, constructed by local government, are currently only partially utilized, and will continue to be under-used until such facilities as the aqueducts to them have been completed. This action by the state and the district has been in good faith to carry through with a project authorized by the Congress 26 years ago.

In addition to those local expenditures cited above, the district proposes to invest an additional $60 million between now and 1990 to supplant the actual work of the Bureau of Reclamation.

Although the Central Utah Project is the only major project for which Utah is seeking federal funding, it is certainly not the only water resources development activity in which Utah is involved. We have a record of more than 35 years of state initiative in financing more than 500 smaller projects which are within our own capability. The Utah Legislature has appropriated funds regularly since 1947 for these small projects, and these monies have been matched by local sponsoring water users. In the last few years the state has sold general obligation bonds in the amount of $50 million to build several dams and undertake extensive water conservation measures. The extent of the state's investment is approximately $100 million, and I expect to go to the Legislature next year to request additional bonding authority.

You can be assured that we in Utah will continue to develop and conserve our water resources. We are seeking help only for those large capital-intensive projects which are beyond our capability and serve a national as well as local interest.

The Bureau of Reclamation has requested monies for Title I and Title II activities of the Colorado River Basin Salinity Control projects for Fiscal Year 1983. I fully support the $16.3 million which would be used to continue the work on Grand Valley canal and laterals, to eliminate salinity resulting from seepage. I am favorably impressed with the progress which the Bureau is making in searching out more cost-effective alternatives for reducing the heavy salt load in the Colorado River. The seven Colorado River Basin states are united in their determination to work with the federal government in maintaining the integrity of that river.

Through this committee and Congress, funds have been appropriated in an increasing amount for the Central Utah Project from $33 million in Fiscal Year 1977 to $85 million in Fiscal Year 1982. The continuation of increased funding will result in a more reasonable, realistic and economical program in the interests of Utah citizens and the nation. We must have consistent appropriation levels of this magnitude if the project is going to be completed when we need it.

I would also like to call your attention to the fact that the Bureau of Reclamation has requested $36 million, basin-wide, for general investigation efforts. Some of these funds will be targeted for a review process, including scrutiny by the Utah Department of Natural Resources and Energy of cost-effective measures and coordinated use of CUP-developed water with other water resource developments in the state.

We in Utah are mindful that our state's overall development hinges on a coordinated and integrated water development program, which must include a completed Central Utah Project. We are gratified with your support for the CUP and encourage your continued efforts to see this project through to completion.

Thank you.

Statement of L. Y. Siddoway, Manager, Uintah Water Conservancy District

I am appearing here today representing the Board of Directors of the Uintah Water Conservancy District whose office is located at Vernal, Utah. I am, also, a member of the Board of Directors of the Central Utah Water Conservancy District representing the area of Uintah County on that Board of Directors.

First I wish to emphasize that I am in support of funding for the Central Utah Projects as has been recommended by the President in his budget. The President's Budget recommendations for the Central Utah Project is as follows:

Jensen Unit	$ 6,249,000
Uintah Unit - (Advance Planning)	$ 500,000
Upalco Unit	$ 1,000,000
Bonneville Unit	$79,623,000
Recreation & Fish & Wildlife (Section 8)	$ 2,597,000
TOTAL	$89,969,000

I have had the privilege of supporting the Central Utah Projects since they were authorized in 1956. Prior to that time I worked with representatives from Utah and the other three upper Colorado River Basin states in Washington D. C. to obtain the authorization for the Colorado River Storage Project. These efforts covered several months during 1954, 1955, and 1956. Following the passage of the Colorado River Storage Project Bill, the Uintah Water Conservancy District contracted to repay the cost of the Vernal Unit. That project was completed and has been in operation for twenty years. It has been of great service to people in the Vernal and Ashley Valley area.

In 1976 the Uintah Water Conservancy District contracted to repay the cost of the Jensen Unit of the Central Utah Project and this project is nearing completion. Water for irrigation from the Jensen Unit has been delivered during the last two irrigation seasons. Some other features are complete and the total project will be in operation in about 1984. The status of the features of the Jensen Unit in construction is as follows: Red Fleet Dam is complete, Jensen Unit Drains are complete, and additional water for the Stewart Lake Waterfowl Management Area is complete. Recreation features were bid in May of 1981 and this contract is nearing completion. These recreation features at the Red Fleet Reservoir will be in use this coming summer. In May of 1981 the Tyzack Aqueduct and Pumping Plant was bid. The low bid was $9,090,000. The engineer's estimate was approximately $12 million. This contract is ongoing and most of the work will be done during this summer construction season.

At the end of Tyzack Aqueduct #1, the Central Utah Water Conservancy District has contracted to construct a water purification plant and preliminary investigations are ongoing by the Central Utah Water Conservancy District. Contracts for the use of the municipal water supply from the Jensen Unit have been signed with Vernal City, Ashley Valley Water & Sewer Improvement District, and Jensen Water Improvement District. The need for this high quality municipal water supply, unfortunately, is now and we are still a couple of years away from supplying the water.

To give you an understanding as to what is happening in the Uintah Basin, I wish to advise you of the following developments. The Deseret Generation and Transmission Cooperative has started the construction of a 400 megawatt power plant. This new power plant is located 35 miles south of Vernal. Access to it is from Vernal. Besides the power plant, new roads are being constructed and a new bridge is being built to cross the Green River. Coal will be delivered from near Rangely, Colorado by a newly constructed electric railroad. The labor force at the power plant reached a peak of 545 workers in November. Construction workers at the site will increase this spring up to between 700-800 workers. Water for the power plant is being supplied with a 19 mile, 30 inch pipeline pumping water from the Green River to the plant site. A second 400 megawatt unit is scheduled for construction starting as soon as the first unit is complete.

In the same general area of the new power plant are the large oil shale deposits. White River Shale announced a week ago that they are starting construction at a plant site, also building necessary roads, and would spend $100 million on this work in 1982 and 1983. Several other oil shale developers are in the same area, including Paraho, Syntana, Magic Circle, Texaco, Exxon, Tosco, Ramex, and Geokinetics. Geokinetics is producing 100 barrels of oil a day from a modular plan at the present time. However, the others appear to be progressing at a somewhat reduced rate.

North of Vernal 15 miles is one of the largest phosphate deposits in the United States. Chevron Resources recently purchased this phosphate mine and plant from Stauffer Chemical Company and they are in the process of upgrading their production with new installations that will increase their output from 450,000 tons a year to 750,000 tons a year. Chevron has budgeted over $13 million for this work during 1982.

The Uintah Basin, with the trade center located at Vernal, Utah, probably has more natural resources than any other area in the United States. These resources include several major oil and gas producing fields, phosphate, coal, oil shale, tar sands, timber, gilsonite, and water.

The Vernal-Ashley Valley population in 1980 was 16,251; the 1985 population projection by the State Planning Coordinator's Office, the Uintah Basin Energy Planning Council and others, is 29,079 and the projection for 1990 is 38,175.

Water is the key to all planning and all developments in the Uintah Basin as well as the State of Utah. We have an average of eight inches of precipitation yearly in the Uintah Basin. This water runs off from our watershed in 60 days and without storage reservoirs to catch this runoff, we have a drought every year.

I would urge the committee to support funding of the other Central Utah Projects--Bonneville Unit, Upalco Unit, and Uintah Unit. It is vital for the State of Utah that these projects be completed to assure water supplies for one of the fastest growing areas of the United States. These projects will supply water for people, for agriculture, for industry and for power generation, means by which we can take care of people and by which we can keep our lifestyle intact and our economy healthy.

I again express my appreciation for this opportunity to appear before your committee.

STATEMENT OF R. ROSCOE GARRETT, PRESIDENT, CENTRAL UTAH WATER CONSERVANCY DISTRICT

I am, R. Roscoe Garrett, President of the Central Utah Water Conservancy District. This District serves as a legal agency encompassing 12 Utah Counties to develop water resources to meet their water requirements.

The District was formally created in March 2, 1964, by order of the Fourth District Judicial Court of Utah. A principal responsibility of the District is to serve as sponsor of units of the Central Utah Project. In conjunction with these units the District also constructs and operates, as needed, other facilities, to meet the water requirements of the citizens within the State of Utah.

It is an honor for me to appear before this distinguished committee to support funding for the continued planning and construction of the Units of the Central Utah Project.

As set forth in the attached resolution, the District concurs with the President of the United States's in his Fiscal Year 1983 Budget recommendations to the Congress of the United States for the funding of Units of the Central Utah Project. His recommendations includes the following funds:

Unit	Amount	Purpose
Bonneville Unit	$79,623,000	Construction
Jensen Unit	6,249,000	Construction
Upalco Unit	1,000,000	Construction
Uintah Unit	500,000	Advance Planning
Section 8 Funds (Non-Reimbursable)	2,597,000	All of Utah
Total	$89,969,000	

A knowledge of the nature of Utah's water would be helpful in understanding the needs for the Central Utah Project. Utah is the second driest State in the United States. Not only is water scarce in Utah, but most of it is from precipitation received in our mountains during the winter months in the form of snow. It remains there during the winter months and then with the warmth of spring it melts and rushes down in the streams often in a flood status during a short period of time. Eighty percent of all water that flows down the streams and rivers in Utah comes gushing down in three short months. After these turbulent flows, the streams and rivers nearly dry up during the remainder of the year. To meet the needs of people for the total year in Utah wise water management is required. We must capture and store in reservoirs the high runoff, and then be able to release the water down the streams in regulated amounts throughout the rest of the year to keep the rivers flowing so as to be able to provide the water required for agricultural, municipal, industrial, recreation and all other needs. Your assistance is so vital to implement this water management plan that the District must express to you its appreciation and continue to solicit your support for the Central Utah Project.

The plan of development for the Central Utah Project originated with the planning and construction of the existing Strawberry Valley Project. In fact, part of the Central Utah Project is essentially an enlargement and modification of the Strawberry Valley Project - a project which several years ago completed its repayment obligation to the United States and has for over seventy years contributed to the economy and needs of this nation.

As with the Strawberry Project, the Central Utah Project also includes a transbasin diversion of water from the Uintah Basin, a portion of the Colorado River Basin, to the highly developed Bonneville Basin in Central Utah. It makes possible additional development of related local water supplies in both basins. This multi-purpose project will develop water for municipal and industrial use, irrigation, hydroelectric power production, recreation, fish and wildlife and also provide benefits for flood control, water quality control, and area water development.

The history of the Central Utah Project has been long. It has been considered by local groups and Governmental Agencies since the turn of the century. Continuous investigations have been conducted by the Bureau of Reclamation since 1945. It was authorized as a part of the Colorado River

Storage Project Act in 1956. Construction on the Vernal Unit started in 1959 has been completed for several years. Construction started on the major Bonneville Unit in 1966 and is still in progress. The extended construction program on the Bonneville has resulted in both an unrealistic and uneconomical program. The increasing costs of this unit due to inflation has placed extreme demands on the Federal Government and the citizens of Utah in securing its completion. Its completion must be expedited. It was with this in mind that the Central Utah Water Conservancy District agreed to make available $10,000,000 in District funds during 1982 and 1983 to keep the construction program on key facilities on schedule.

In addition to the Bonneville Unit, the District also encourages a more aggressive construction program on the Upalco Unit in which construction was initiated during the past year.

Once again, it is restated, that the funds for the Central Utah Project in the President's Budget for Fiscal Year 1983, are necessary to expedite its construction program. This water resource program is the single most vital project to the State of Utah at the present time. The District solicits your support of the President's Budget.

Thank you.

RESOLUTION

WHEREAS, the President's Budget for Fiscal Year 1983 recommended to the Congress of the United States that the following funds be appropriated for the Central Utah Project:

Unit	Amount	Purpose
Bonneville Unit	79,623,000	Construction
Jensen Unit	6,249,000	Construction
Upalco Unit	1,000,000	Construction
Uintah Unit	500,000	Advance Planning
Section 8 Funds (Non-Reimbursable)	2,597,000	All of Utah
Total	$89,969,000	

WHEREAS, these funds are adequate for Fiscal Year 1983 to proceed with essential planning and construction on the units of the Central Utah Project, but in the future a more aggressive construction program is mandatory to meet the increasing District water requirements created by fuel, energy, commercial and industrial development, and resulting population increases, and

WHEREAS, the persistent delayed construction programs on the Central Utah Project has placed an unequal and unfair financial repayment burden on the citizens of the District in meeting their water needs in the construction of the units of the Central Utah Project under the Colorado River Storage Project Act, and

WHEREAS, the Upalco Unit, authorized in 1956, has been placed in a construction status with very limited construction activities underway.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Central Utah Water Conservancy District does hereby support the funds as requested in the President's Budget for Fiscal Year 1983, and

BE IT FURTHER RESOLVED, that for future years the Board of Directors encourage a more aggressive construction program for the Central Utah Project, especially for the Upalco Unit.

BE IT FURTHER RESOLVED, that copies of this resolution be transmitted to the President of the United States, Governor of Utah, Members of Utah's Congressional Delegation, the Secretary of the Interior, the Commissioner of the U.S. Bureau of Reclamation, and other interested entities.

CERTIFICATE

I certifiy that the foregoing is a true and accurate copy of a resolution unanimously adopted by the Board of Directors of the Central Utah Water Conservancy District on March 11, 1982.

Lynn S. Ludlow
Secretary

PROJECT BACKGROUND

Governor MATHESON. I was reading a journal not too long ago by a gentleman who came into Salt Lake Valley with Brigham Young in 1847. His name was William Clayton and he wrote in his journal the day that the pioneers came into that valley, which was July 24, 1847, an interesting thing about water.

He said:

> The Reverend Medley rigged up three plows and went to plowing a little northeast of camp, and then some of the party went with spades to make a dam on one of the creeks so as to throw the water at pleasure on the fields.

That is the policy of the State of Utah regarding water in 1982 as well. We have been pursuing since 1956, with the support of the Congress, the completion of the Central Utah project.

This particular year, the administration has recommended the total of nearly $90 million. We are here in central Utah, the conservancy people are here to support that funding for fiscal year 1983. The Bureau of Reclamation has examined the performance capability to that sum of money and have indicated that the capability is definitely and solidly in place.

The Department of the Interior has supported the budget of that particular figure on both sides of the House, on both the House and Senate sides. And so we are here to, again, underscore the need for continuing funding for the project.

After 26 years, we are completing several portions. The main segment of the Central Utah project, the monitor unit, will ultimately provide water out of the Unitah basin drainage area and along the Wauside front. People live on the Wauside front; they do not live in the Uintah Basin.

STATE COST SHARING

One of the things the committee is interested in and the administration is interested in is a matter of cost sharing. That has become a major issue. The State of Utah appreciates and supports that concept and we have expended in the Central Utah project $30 million of State funds raised from taxpayers to build water treatment plants that coincide with the development and the completion of the monitoring unit.

We intend to spend an additional $60 million by 1990 for that purpose.

And, finally, in the State, over the last 25 years we have generated over $100 million to build about 500 smaller water projects. And since I have been Governor, we have gone to general obligation bonding for water projects.

I will go back to the legislature in 1983 for another infusion of State capital dollars for that purpose. And I mention that because the responsibility for these projects is on both the State and the Federal system, and we intend to bill smaller projects with our own resources, but the Central Utah project is a special case. It is too large for our economic capacity to handle. And so we have appreciated the support we have received each year. I think this is my 6th year that I have testified in favor of the Central Utah project.

I represent, I would suggest, 85 percent of the people of the State of Utah feel very strongly in favor of the project and its continued funding and we appreciate your support.

Thank you.

Senator GARN. Thank you, very much, Governor.

I would just say that in referring to creeks, here in Virginia they wouldn't know what they are.

I lived here 3 years before I found out a run is a "crick." In any event, we will be spreading the water from the runs back here. It is especially pleasing to me after fighting the battle for several years to have unanimous agreement with no dissent between Interior, Bureau of Reclamation, so on, about the ability to utilize the funds. It is much more pleasant to have that kind of agreement rather than fighting the battle as we have had to in years past. But we do appreciate you and the rest of the members of the Central Utah Conservancy District who are here with you. They are not speaking, but their statements are included in the record.

We thank you very much for your coming.

Governor MATHESON. Thank you, very much. And thank you for your courtesy and time. Appreciate it.

GARRISON DIVERSION UNIT, NORTH DAKOTA

STATEMENT OF HON. ALLEN OLSON, GOVERNOR OF NORTH DAKOTA

Senator HUDDLESTON [presiding]. We have two other Governors we want to recognize at this time. I will yield to Senator Andrews.

Senator ANDREWS. I appreciate that. We are proud to have the Governors of North Dakota and South Dakota here to testify on the Garrison diversion project.

If they would come forward, and Senator Burdick, my senior colleague, would introduce them.

Senator HUDDLESTON. Senator Burdick?

Senator BURDICK. It is a pleasure to introduce Governor Allen Olson, our very great Governor from North Dakota. I think he will be followed by Governor Janklow of South Dakota.

We have the chairman of the Conservancy District, Mr. Charles Richter. We are privileged to have them all with us today.

Is Governor Janklow here?

Governor OLSON. He is not here yet. Governors cannot find their way around these hallowed halls as easily as the Senators. [Laughter.]

Senator HUDDLESTON. You may proceed.

Governor OLSON. With the committee's permission, I will proceed—I expect Governor Janklow of South Dakota to join us momentarily, and Mr. Richter, who is chairman of the Garrison Conservancy District, will also submit testimony.

Thank you for the opportunity to do so.

Mr. Chairman, distinguished members of the committee, I am Allen Olson, Governor of the State of North Dakota. I appear before you today, as I have several times in the past, first as attorney general and now as Governor of the State of North Dakota, in support of the continued funding by the Congress of the construction of the Garrison division unit.

As I indicated, with me today will be Governor Janklow, we hope, and Mr. Richter. My statement will be as brief as possible in respect of the wishes of the committee and to afford ample opportunity for Governor Janklow and Mr. Richter to offer their testimony.

PROJECT SUPPORT

First, on behalf of the citizens of North Dakota, I want to thank the members of this committee, and the Congress as a whole, for the faithful and continuing support of the Garrison project. This support has continued since the project's original authorization in 1944, as an integral part of the Pick Sloan-Missouri basin program, and since the reaffirmation of the project in 1965. Funds have been regularly appropriated for purposes of construction from 1968 to the present. We are most appreciative of this support.

The purposes of the Garrison project are as important today as at the time of its authorization. The necessity for the Congress to continue a permanent policy recognizing the high purpose of agricultural and domestic uses of water in the West has been proven and strengthened by the success of the development of our water resources through irrigation, municipal and industrial use, hydropower, navigation, flood control, and recreation and fish and wildlife purposes.

The State of North Dakota, likewise, has maintained its strong commitment to the comprehensive and multipurpose benefits of the Missouri basin program. We made the permanent sacrifice of hundreds of thousands of acres of land to the reservoir purposes of the program for the benefit of navigation, flood control, and hydropower. Since 1944, each member of our State's congressional delegation, every Governor, each succeeding legislative assembly, and the Garrison Conservancy District have, without reservation, supported the development of the Missouri basin program in the interest of the State, the region, and the Nation.

We have dedicated land, water, financial, legal, and human resources to the completion of the Pick Sloan-Missouri basin program and the Garrison project. The distribution of Missouri River water resources within our State has long been recognized for its direct benefits to the farm and business economy, stable supplies of good quality water to our towns and cities, and its recreation and fish and wildlife benefits.

Consultations between the United States and Canada on the international aspects of the Garrison project are reported to be proceeding satisfactorily. The Congress, the administration, and the State have acted responsibly on this matter respecting both the right and necessity to provide for our national economic development and our treaty obligations with Canada.

Governor Janklow and I are cooperating for purposes of the examination of the potential of supplying additional water from the Garrison diversion unit to the James River in South Dakota.

The additional water could be used for irrigation, municipal and industrial supply, recreation, and fish and wildlife purposes. Our two States will continue to cooperate with the Department of the Interior with the view toward extending the benefits of the Garrison project to South Dakota.

It is respectfully requested that this committee give its favorable consideration to the President's budget proposal for the Garrison diversion project. The economic and environmental benefits to be realized from this project are long overdue.

I encourage and welcome your continuing support for the completion of the last major component of the Pick Sloan-Missouri basin program.

I thank you for this opportunity.

Senator HUDDLESTON. Thank you, Governor.

Mr. Richter?

Mr. RICHTER. Thank you, Mr. Chairman, and members of the committee.

For the record, my name is Charles Richter. I am chairman of the board of directors of Garrison Diversion Conservancy District of Carrington, N. Dak.

My appearance today is in connection with the budget recommended by President Reagan for going forward with the Garrison diversion unit Pick Sloan-Missouri basin program in fiscal year 1983.

FUNDING REQUEST

Our position is simple and clear. We support the President's budget request of $4 million. This sum of money, together with unobligated balance expected to be carried over from fiscal year 1982, will allow us to continue with the Oaks test area and with the preconstruction activities on the New Rockford Canal and Lonetree Reservoir.

We have been advised that the Bureau of Reclamation has the capability to utilize more funds and, while we acknowledge budget problems, we certainly support that capability.

STATUS OF LITIGATION

Mr. Chairman, this capability comes about as the direct result of a ruling by the Federal appeals court to stay the injunction against the program ordered by Judge Richey last May. This injunction was lifted on January 28, 1982, and was late for its impact to be reflected in the budget. You will recall, Mr. Chairman, that the injunction to which I refer was the subject of language included in the fiscal year 1982 Appropriations Act by the committee on conference and which was subsequently defeated in the House of Representatives.

I mention this little bit of history to simply emphasize that the appeals court by its action vindicates our attempts to set the injunction aside by legislation. And second, last year's vote cannot be considered to be a vote on the merits of the project. We believe that our position was lost as a consequence of reluctance to become involved in matters before the court and for no other reason.

Also, Mr. Chairman, since last appearing before you there has been good progress in the consultations with the Canadian Government relative to its concern. While I would not say that everyone in Canada is happy with our project, particularly at the provincial level, we feel that much progress has been made as a result of the consultations insofar as proceeding with an initial phase of about 85,000 acres of the authorized project which is entirely outside of the Hudson Bay drainage basin.

Also, I would like to report we are much encouraged by the new attitude being shown by Interior Department executives relative to the perplexing problems of the mitigation lands. While considerable coordination remains to be done on this problem, it does now appear that we are on the road to satisfactory resolution of the matter.

In closing, let me say just how much the conservancy district appreciates the support and understanding that it has received from the members and staff of this subcommittee down through the years, and to express the hope that you will continue to assist us as you have in past years and for your kindness in arranging this presentation here today.

Thank you.

Senator HUDDLESTON. Thank you, Mr. Richter.

I see Governor Janklow is here now and Senator Abdnor has joined us on the committee.

Senator Abdnor, if you want to introduce your Governor.

INTRODUCTION OF GOVERNOR JANKLOW OF SOUTH DAKOTA

Senator ABDNOR. I will make it very short, Mr. Chairman.

I am very pleased to have Governor Janklow here today, along with Governor Olson. I apologize for being late. We got ourselves into a meeting and the minutes slipped by a little faster than we realized.

Governor OLSON. I know Governor Janklow's testimony by heart, Senator. I would have been happy to give it. [Laughter.]

Senator ABDNOR. He is here to emphasize the importance of the completion of necessary studies of the Garrison project. Our Governor, as is our State, is very interested in that. We have a Governor who is very knowledgeable of water proposals. I don't know if it is his turn to testify, but if so, we will have Governor Janklow.

Senator HUDDLESTON. Governor Janklow.

STATEMENT OF HON. WILLIAM JANKLOW, GOVERNOR OF SOUTH DAKOTA

Governor JANKLOW. Thank you, very much. I appreciate the opportunity, as the other people, to have a chance to appear before you today to make a couple of statements and answer any questions you may have. I come here today basically for two reasons.

First of all, to explain to the committee that we in South Dakota support what is being proposed with respect to the Garrison project in North Dakota. We support it because it's the Federal Government fulfilling its commitment, completing the deal. We all over America, but especially those of us in the West, like to think once you make a deal you keep one in life.

We think that historically has been the way we Americans like to talk about doing business when we explain it to the rest of the world, the way we operate.

Most importantly, under the Flood Control Act of 1944, our States lost hundreds of thousands of acres of land, of river bottomland. There are some people nowadays who think it was Electrical Power Generation Act of 1944 or the Downstream Navigation Act of 1944 or the Fish and Wildlife Act of 1944; it was the Flood Control Act of 1944.

Cities like St. Louis, Mo.; Omaha, Nebr.; Sioux City, Iowa; and communities up and down the lower Missouri River basin no longer flood.

As a matter of fact, the Corps of Engineers estimated this year that although $1.5 billion was spent building five dams—four of which are in my State, one of which is in North Dakota—they have saved $1.7 billion in flood damage that didn't take place.

We have all watched the drama taking place in Indiana over the last couple weeks where young people, old people, and the President went out and hauled sandbags to hold back the floodwater. That used to be an annual occurrence in the Missouri River basin. It doesn't happen any more. It doesn't happen because America permanently flooded hundreds of thousands of acres in North Dakota and 559,000 acres in South Dakota.

What have we received for it in return? We received low-cost electric power and wildlife, fishing, and that is the extent of it. Our neighbors downstrean have received navigation and we are glad. Our neighbors around us have received low-cost electrical power and we are glad, but we have not received the promised benefits under the Flood Control Act of 1944.

GARRISON DIVERSION UNIT, SOUTH DAKOTA EXTENSION FEASIBILITY STUDY

The Garrison project is unique to North Dakota, but for the fact in its original concept and authorization, there are certain parts of north, east-central South Dakota that are included in that authorization. We are looking for more than just return flows. There are some people who are concerned the return flows in South Dakota from the Garrison project will cause wildlife problems, will cause fishery problems, will cause environmental problems.

We in South Dakota want to improve upon that, add some additional water to the Garrison project from the Missouri River and provide for 100,000 acres of development within South Dakota.

What I am here specifically to ask for is to have included in your budget the necessary funds to fund the feasibility study. South Dakota is willing to do something that has not been done before. We are a State that has just come through 8 months of the worst drought since the 1930's. Most States produce more agricultural production than South Dakota, but more States are dependent on agricultural production than South Dakota.

Finally, South Dakota only has 300,000 taxpayers and the 13th largest land mass in the Union. We are willing to cost share with the Federal Government these feasibility studies to get them done on a speedy basis to determine whether or not it is possible to hook on to the Garrison project and provide benefits to both States and give us the opportunity to receive the benefits that we are rightfully entitled to as a result of giving up 559,000 acres of land.

CENDAK FEASIBILITY STUDY

The final point I would like to make, Senators, is that with respect to the central South Dakota development project, which is known as the CENDAK project, here is a project that has come up with the support of local people wanting to do things to develop the area in the semiarid central plains of South Dakota.

Again, what we need are the feasibility studies to find out whether or not it is possible. If these kind of projects are not possible, then we ought to bury them and get on with our business as quickly as possible. But you shouldn't bury a live body. And if there is a possibility these projects live and move forward, then we ought to pump some life into them and provide for the benefit that is going to be necessary when America finally figures out and the rest of the world figures out that this is the only country that truly has the ability, once agriculture is turned loose, to feed the hundreds of millions of people in this world that go to bed hungry everynight.

On that basis, on behalf of South Dakota, I would like to ask your indulgence to include in your funding proposal this year of an expedited study to move forward with these studies.

Thank you.

Senator HUDDLESTON. Thank you, very much, Governor Janklow, and Governor Olson, Mr. Richter.

Are there any questions?

Senator Abdnor?

Senator ABDNOR. I would like to acknowledge the fact we have with us today Dave Hauchild, who is president of CENDAK, the project the Governor was talking about, and also Mr. Koyle Harms of Redfield, S. Dak.

They are here to show the local support of their proposed projects. While the Bureau of Reclamation's project does contain some funding for necessary studies, they believe the timetable for completion is unacceptable.

As you know, I am going to ask that the timetable be stepped up in connection with the Garrison work, too.

Senator HUDDLESTON. Senator Burdick?

Senator BURDICK. Mr. Chairman, I am very pleased with the testimony given here today by the two Governors and Chairman Richter. It underscores two things that consultations between the United States and Canada, international aspect of the Garrison project, are reported to be progressing satisfactorily.

You heard both Governors today and certainly the cooperation of our two States is very gratifying.

Thank you, gentlemen, for your testimony.

Senator HUDDLESTON. Senator Andrews?

Senator ANDREWS. I want to commend all three witnesses on excellent statements. I thank both Governors and Mr. Richter and I think it ought to be pointed out Charlie Richter is elected by the people out there. The people vote in each county for a director and he is chairman of the board of directors. So these are three elected officials speaking for the States of North and South Dakota and pointing out we need this project because, as the Governor from South Dakota said, once the deal has been made, a deal is made. But the reason the deal was made is because there is no way in the Dakotas we can take care of the frequent environmental problems we have that are brought about because of these recurring droughts that cause low stream flows which totally mess up our municipalities and our ability to maintain our population out there.

The Congress was memorialized in 1880 when the Dakotas were in territorial status to move Missouri River water east when the great drought of the 1880's hit us.

Again, in the 1930's, we said we have this desperate need to enhance our environment and make it livable for people in cities to survive. And we came to the Congress and did it in partnership as the Governors of South Dakota and North Dakota pointed out. We gave up some of our best land to provide flood protection and our part of the bargain was to have adequate stream flows for our cities and irrigation to strengthen our agricultural base.

We appreciate the support we have gotten from our friends of South Dakota.

I am very proud all three of these witnesses speak for the people of North Dakota who know the needs of our environment out there better than some of these far-out environmentalists who would like to speak for the people of North Dakota but who, I think, drastically misstate the position and the needs of our State.

Mr. Chairman, I appreciate your listening to these witnesses and we appreciate the support this committee has always shown to this project.

[The statements follow:]

STATEMENT OF GOV. ALLEN I. OLSON OF NORTH DAKOTA

Mr. Chairman, distinguished members of the Committee, I am Allen I. Olson, Governor of the State of North Dakota. I appear before you today, as I have several times in the past, first as Attorney General and now as Governor of my state, in support of the continued funding by the Congress of the construction of the Garrison Diversion Unit. With me today to also speak in favor of the project are the Honorable William Janklow, Governor of the State of South Dakota, and Charles Richter, Chairman of the Board of Directors of the Garrison Diversion Conservancy District.

My statement will be brief, in respect of the wishes of the Committee, and to afford ample opportunity for you to hear the views of Governor Janklow and Mr. Richter.

First, on behalf of the citizens of North Dakota, I want to thank the members of this Committee, and the Congress as a whole, for the faithful and continuing support of the Garrison project. This support has continued since the project's original authorization in 1944, as an integral part of the Pick Sloan - Missouri Basin Program, and since the reaffirmation of the project in 1965. Funds have been regularly appropriated for purposes of construction from 1968 to the present. We are most appreciative of this support.

The purposes of the Garrison project are as important today as at the time of its authorization. The necessity for the Congress to continue a permanent policy recognizing the high purpose of agricultural and domestic uses of water in the west has been proven and strengthened by the success of the development of our water resources through irrigation, municipal and industrial use, hydropower, navigation, flood control and recreation and fish and wildlife purposes.

The State of North Dakota, likewise, has maintained its strong commitment to the comprehensive and multipurpose benefits of the Missouri Basin Program. We made the permanent sacrifice of hundreds of thousands of acres of land to the reservoir purposes of the program for the benefit of navigation, flood control and hydropower. Since 1944, each member of our state's Congressional Delegation, every governor, each succeeding legislative assembly and the Garrison Conservancy District have, without reservation, supported the development of the Missouri Basin Program in the interest of the state, the region and the nation.

We have dedicated land, water, financial, legal and human resources to the completion of the Pick Sloan - Missouri Basin Program and the Garrison project. The distribution of Missouri River water resources within our state has long been recognized for its direct benefits to the farm and business economy, stable supplies of good quality water to our towns and cities, and its recreation and fish and wildlife benefits.

Consultations between the United States and Canada on the international aspects of the Garrison project are reported to be proceeding satisfactorily. The Congress, the Administration and the state have acted responsibly on this matter respecting both the right and necessity to provide for our national economic development and our treaty obligations with Canada.

Governor Janklow and I are cooperating for purposes of the examination of the potential of supplying additional water from the Garrison Diversion Unit to the James River in South Dakota. The additional water could be used for irrigation, municipal and industrial supply, recreation, and fish and wildlife purposes. Our two states will continue to cooperate with the Department of Interior with the view toward extending the benefits of the Garrison project to South Dakota.

It is respectfully requested that this Committee give its favorable consideration to the President's budget proposal for the Garrison Diversion project. The economic and environmental benefits to be realized from this project are long overdue.

I encourage and welcome your continuing support for the completion of the last major component of the Pick Sloan - Missouri Basin Program.

Thank you very much.

STATEMENT OF GOV. WILLIAM J. JANKLOW OF SOUTH DAKOTA

Mr. Chairman and Members of the Subcommittee:

I have come before you today to join Governor Olson in urging your continued support for the Garrison Diversion Unit in North Dakota and to ask your additional support for funds to enable the State of South Dakota to take advantage of the Garrison opportunity and an additional opportunity found in the CENDAK project in central South Dakota. I cannot stress too strongly that time is of the essence if we are ever to realize the benefits of either of these opportunities.

When I come before you to ask your support for our water projects, I do not come with the tin cup of a beggar. I come to you with an IOU that demands repayment. South Dakota has paid the price for participation in the Pick-Sloan Missouri River Basin Program. When Congress undertook its massive program of development in the Missouri River Basin following World War II under 1944 Flood control Act, the brunt of the program fell upon the shoulders of the State of South Dakota and her citizens and local governments. South Dakotans willingly and generously sacrificed over 500,000 acres of their Missouri River bottom lands for the four Missouri River main stem dams lying within the State. Several communities and countless farmers and ranchers simply packed up and moved out of the way of the permanent flood that was to come. Virtually all of the forested lands lying in the otherwise treeless reaches of Central South Dakota were flooded.

South Dakotans made that sacrifice because they were intelligent enough and unselfish enough to recognize that there was a compelling goal to be served by the program for which they were paying so dearly. They knew that the waters that would flood their lands would drive the turbines to generate power for the cities and industries of the Missouri River Basin. They knew that the controlled release of those waters would make possible large-scale river navigation from Sioux City , Iowa to the Gulf of Mexico. They knew that through the permanent flooding of their lands, the millions of people and the farms and industries lying southeast of them in the Missouri River Basin would be liberated from the tragedy of devastating floods such as those that had occurred in the early 1940's. Lastly, and this forms the basis for my appearance here today, South Dakotans sacrificed their lands and their homes in reliance upon a promise that was made to them as their dividend for investing in the Pick-Sloan program. In a nutshell, that bargain provided that in return for their sacrifice of productive lands to the program, South Dakotans would receive federal assistance under the Federal Reclamation program for the irrigation of some 1,000,000 acres of drought-stricken farmland in central South Dakota.

South Dakotans have yet to receive their benefits under that bargain. The promised benefits to the lower basin states for which South Dakota's lands were sacrificed, have become reality. Since 1962, the year the Oahe Dam came on line, the Pick-Sloan system has provided over 200 billion kilowatt hours of electrical energy, only a fraction of which has been consumed in the State of South Dakota. The regulation of flows by the main stem dams has made possible on an annual basis a ten-fold increase in navigation on the Missouri River in the lower basin states. Most importantly, the flood storage provided in the Dakotas has prevented over a billion and a half dollars in flood damages to property in the lower basin states. South Dakota does not begrudge the downstream states the benefits that we have bestowed upon them. We are happy for their good fortune. But we can sit and wait patiently for our turn to come for only so long. I come before you today to tell you that the time is at hand for honoring the commitment made to South Dakota in 1944 and for acknowledging the role that we have played in these impressive accomplishments.

I wish to join Governor Olson of North Dakota in his support for the Garrison Diversion Unit. Certainly, North Dakota is every bit as deserving of Pick-Sloan benefits as is South Dakota. I would like to emphasize the unique opportunity that the Garrison Project presents for a cooperative effort between the States of North and South Dakota to forge a project of mutual benefit for their citizens. It is true that my constituents in South Dakota and I have expressed concerns that the development of the Garrison Unit in North Dakota might negatively impact the James River Valley in South Dakota. It is not my style nor that of South Dakotans, however, to tear down what our neighbors are attempting to build when the opportunity exists to create something of benefit for all concerned. Rather than blindly attacking the Garrison Diversion Unit in North Dakota as a solution for the concerns of my constituents, I have advanced with Governor Olson's cooperation a concept to extend the positive benefits of the Garrison Diversion Unit into South Dakota. Through modifications of the operational plan for the features in North Dakota and the construction of additional features in South Dakota, the potential exists to resolve the concerns of South Dakotans and to provide a substantial quantity of good quality water for municipal, industrial, irrigation, recreation, and fish and wildlife benefits for the water-short James River Valley in South Dakota. I have consulted extensively with Governor Olson concerning this concept over the last year and both the State of North Dakota and the Department of the Interior have staunchly supported this study for extending the Garrision Diversion Unit to provide benefits to South Dakota.

We expect to complete our appraisal level work and to release our final plan by late in fiscal year 1982. The Bureau of Reclamation, however, has estimated that the feasibility study and environmental impact statement could take from 3 to 4 years to complete at a cost of $1,500,000, and only $50,000 has been budgeted for the South Dakota Garrison Extension Studies in Fiscal Year 1983. This is simply not acceptable. South Dakota has waited and waited - and waited some more - for Pick-Sloan benefits. We can wait no longer. The twenty year development period typical of water projects in America will not do in the case of the South Dakota Garrison Extension. Our attempts at development cannot succeed if we continue to die of old age while governmental employees make life-long careers out of our urgent needs.

For South Dakota and North Dakota to continue to approach the Garrison Diversion Unit in a positive spirit of cooperation and trust, the two states must be assured that coordinated and concurrent development in South Dakota accompanies Garrison Diversion Unit construction in North Dakota. To assure that this coordinated and concurrent development occurs, we must accelerate the study effort of the South Dakota Garrison Extension concept to keep pace with the construction timetable of the Garrison Diversion Unit. Accomplishment of this goal will require Federal fiscal year 1983 funding for the Garrison Extension in South Dakota in the amount of $800,000. While it is up to the Congress and the Administration to determine whether appropriation or reprogramming of funds is appropriate, I urge you to shift from the comfortable, bureaucratic way of doing business to an accelerated problem-solving approach. Although the Bureau of Reclamation has indicated that it does not presently have capability for this level of activity, the State of South Dakota is willing and able to provide assistance through a contractual arrangement with the Bureau to accelerate this task. I must stress that I am not in any way suggesting that you further delay the North Dakota project; I am positively urging you to expedite the study in South Dakota.

Although specific authorization for the Garrison extension feasibility study will be provided by either Senator Abdnor's S1553 or Representative Roberts' HR 4347, I believe, and I wish to emphasize, that the authority presently exists for a study such as the one I have suggested. The Garrison Diversion Unit Authorization includes features in South Dakota similar to those being explored in the South Dakota Garrison Extension Study and is broad enough to authorize such a study. Your support for immediately pursuing our feasibility study effort under the existing Garrison Diversion Unit Authorization might significantly cut the time necessary to complete this study and assure a continued cooperative approach to the Garrison Diversion Project by the states of South Dakota and North Dakota.

In addition to the Garrison Diversion Unit, I would like to take this opportunity to urge your support for funding for feasibility studies of the 400,000-acre CENDAK Water Supply System in Central South Dakota. Although extensive, CENDAK is no corporate farming conglomerate seeking enrichment at public expense. What makes CENDAK exciting is the simple fact that the project has been conceived, organized and advocated by a group of 1200 local South Dakota farmers and ranchers who have committed to this concept as a means of averting disaster for themselves and their State. For a hundred years now, the people in the CENDAK area have tolerated the periodic onslaught of drought. They witnessed the authorization and initial construction of the Oahe Unit under the 1944 Flood Control Act project only to find that the delivery system would have crossed some 120 miles of their land without offering them any possibility of receiving project water, even for those persons whose land the canal would cross. These South Dakotans are serious about this idea. They have already put up over $120,000 of their own money to perform the initial studies of the concept. Inspired by that commitment, the State of South Dakota has agreed to match it dollar for dollar. There can be no doubt that "cost-sharing" is not merely a fashionable phrase to these 1,200 farmers.

Although the grass roots nature of the CENDAK project gives it it's vitality and strength, this spontaneous character also demands that planning and development proceed expeditiously. The present Bureau of Reclamation budget allocates a mere $100,000 for the Central South Dakota Water Study with an anticipated study period of five to six years. This committment is simply inadequate. The people backing the CENDAK project are not federal or State employees for whom a protracted study and construction period means long and comfortable careers. These are people who needed the benefits of the CENDAK project yesterday and whose patience, and more importantly, endurance and capacity to withstand further years without water are limited. Therefore, CENDAK and the State have presented to the Bureau of Reclamation a fast-track study proposal under which all feasibility analyses of the concept would be completed by late 1983 or early 1984. To accomplish this effort and make the CENDAK project a reality will require $1 million dollars of federal funds in Fiscal Year 1983 in addition to the State and locally contributed funds. As an important side matter, I should note my belief that authorization for this feasibility study is embodied in the original Oahe Unit Authorization; however S1553 and HR4347 which are currently moving through appropriate Congressional committees contain specific authorizing language for the CENDAK Study as well as for the Garrison Extention analysis.

The CENDAK and Garrison backers deserve your continued support. They represent the best of what has made the United States of America what it is today. These people have proven over the years that they are hard working and rugged enough to weather the assaults of drought, pestilence and the harsh and dangerous climate of the northern plains. With the CENDAK proposal, they are showing you that they also possess that spirit of American ingenuity that has inspired generations of Americans to change their situation rather than passively accept disaster and the non-productive federal assistance that goes with it.

In summary, Mr. Chairman, I strongly urge your continued support for the Garrison Diversion Unit. I would further ask that you include in your budget an additional $800,000 to expedite the Garrison Studies in South Dakota and an additional $1,000,000 to keep open the window of opportunity for the CENDAK water supply system. It is in the best interest of the United States to support these opportunities for South Dakota and for North Dakota. As both Governor Olson and I have pointed out, we have given generously to the United States when called upon to do so under the Pick Sloan program. We have sacrificed, along with North Dakota, a million acres of our prime farm land to save the lower Missouri Basin and the Mississippi Basin--from Sioux City to the Gulf of Mexico--from the extreme ravages of flood. We have helped make the lower Missouri and Missippi region of the United States an industrial giant. During this same period, South Dakota became the poorest state in the United States, largely because our economy is more dependent upon the uncertainties of natural rainfall than that of any other State in the nation.

Your support for funding South Dakota's attempts at self-betterment is justified because South Dakota deserves these opportunities. Your support is further justified because these investments in the productivity of America's agriculture are truly investments in the long term strength of this Nation. You will find no more sensible place to offset the losses expected in the coming years in the agricultural productivity of the high plains and our growing urban areas than in the opportunities for development presented by the Garrison Unit and the CENDAK Water Supply system in South Dakota.

ARKANSAS RIVER BASIN WATER RESOURCE DEVELOPMENT PROJECTS

STATEMENT OF GALE GRAHAM, CHAIRMAN, ARKANSAS RIVER BASIN INTERSTATE COMMITTEE

Senator HUDDLESTON. Now, we will get back to the Arkansas River basin water resource project. We appreciate your indulgence.

Mr. DAMRON. As a U.S. Senator, you have to have a great deal of patience.

I want to introduce Gale Graham. Robert Kerr, who was our appointed spokesman today, could not be here. Gale Graham, chairman for the Interstate Committee, is here and will give the very brief testimony.

Mr. GRAHAM. I am Gale Graham from Joplin, Mo., chairman of the interstate committee. My colleague is Dow Damson.

It is our pleasure to be here today before your very distinguished committee. Our committee represents the five great States of Arkansas, Colorado, Kansas, Missouri, and Oklahoma. Its members have been appointed by our respective Governors to present a consensus of the water resource funding needs of these States in the Arkansas River basin.

Senator Boren, from Oklahoma, had asked that the members of our delegation stand a little earlier. Perhaps there are those here in the audience now who did not see the people stand so at this time I would like for them just to raise their hands.

I hope you will appreciate the fact that I will be the only one presenting any oral testimony this morning.

Senator HUDDLESTON. We appreciate that fact very much and we duly note that fact for future consideration.

Mr. GRAHAM. Many of us here today have been here many, many times before and represented a very dedicated group of people from the five-State area over the years to improve the Arkansas basin through development of its water resources.

All of us sincerely appreciate the opportunity to again appear before this distinguished committee and express our views concerning funding of our water resource projects and studies.

My testimony will be brief as requested by your committee, and we have incorporated additional material in the written statement which has been submitted. The committee is aware of the inflationary pressure driving up costs of water projects and we are aware of this administration's approach in its efforts to reduce spending work for a balanced budget. We cannot afford to be shortsighted.

As we all know, it is our responsibility as citizens of this great Nation to protect and control our most precious natural resource—water.

We believe that the Congress has adequately demonstrated its ability to make wise decisions concerning the Nation's annual investments in water resource programs and must retain this decisionmaking responsibility.

We have a number of projects in the Arkansas basin where relatively minor additions would permit the Federal water resources agencies to accomplish essential tasks during fiscal year 1983 rather than waste the entire year for lack of funding.

We have watched tbe number of active projects and studies in the Arkansas basin shrink significantly over the past years. This is partly due to the completion of projects. We need to take a concerned look at the administration's policies requiring full cost recovery.

It may well take an even greater toll in past criteria established for conducting studies and planning and evaluating projects.

Though the Congress has consistently provided funds for general investigations and planning, the results have often been to put another study or needed project on the shelf after the funds have been spent.

AUTHORIZED BUT UNFUNDED PROJECTS

As an example, Sand Lake in Bartlesville, Okla., was authorized by the 1962 Flood Control Act. Since the project was authorized in 1962, no funds have been received by the Tulsa District Corps of Engineers to initiate the advance engineering and design studies.

To date, approximately $118,000 has been expended on studies. Doughlas Lake in Kansas was authorized by the 1965 Flood Control Act. The project has never been funded by the Congress for advanced engineering and design studies.

To date, approximately $129,500 has been expended on studies. Cedar Point Lake in Florence, Kans., was authorized by the 1950 Flood Control Act. To date, approximately $900,000 has been expended on advanced engineering and design work.

Prosperity Lake in Joplin, Mo., was authorized by the 1974 Water Resources Development Act. Since 1981, no funds were included to continue investigations and studies. To date, approximately $858,000 has been expended on this project.

The Big and Little Sallisaw navigation project was authorized by the 1976 Water Resource Development Act. No funds were included in fiscal year 1981 or fiscal year 1982 to initiate a phase II general design memorandum effort. To date, approximately $235,000 has been expended.

If we are to meet the future needs of the American people for water, we must have a water resource policy and adequate annual investment that provides a level of studies, planning, and construction that is fairly constant. Studies must produce solutions to problems and planning and construction must be turned toward executing those solutions.

The restricted capabilities of the Federal water resource agencies should be prime evidence that we are concerned about the future needs which may be delayed by the administration's policies on up-front financing.

Within these restrictions we have analyzed the needs of our area and set forth our request for funding in our appropriation request summary.

In addition, each State chairman has provided a statement which highlights the needs of his State. We ask that you consider our committee's requests.

SPECIFIC FUNDING REQUEST

We are asking for a small increase for two studies: Arkansas River and tributaries above John Martin Dam, Colo., and Prosperity Lake, Mo.

Our requests for extra planning money are even less—a small amount to initiate planning for Doublass Lake, Kans., and Sand Lake, Okla. We do ask that $6 million be appropriated for the Sallisaw project.

The interstate committee also urges the Congress to appropriate the full Corps of Engineers capabilities in the operation and maintenance area, including navigation. We do not support the proposal for a new user tax.

Justification for spending levels and for those increases that exceed the President's budget is contained in the material that is submitted. Justification for our request for each project is itemized in the report.

McClellan-Kerr Arkansas River Navigation System

One of the most important issues that faces the waterways and the McClellan-Kerr Arkansas River navigation system in Oklahoma and Arkansas is the proposed segmentized user tax. We believe there needs to be a legislative declaration of the national interest in a modern, efficient, viable system of waterway transportation.

The national defense, world trade, energy conservation, and economic development benefits emphatically are in the public interest, and it is time for Congress to say so in a declaration of legislative intent. While it may be inevitable that commercial users must pay a larger portion of costs directly related to the maintenance of navigation, the administration's present assertion that the private sector and States should pay all of the costs is unacceptable.

The segmented charge, as favored in the administration bill, would be particularly devastating to relatively new waterways, such as the McClellan-Kerr Waterway system, whose commercial traffic is still in the developmental stage.

On behalf of the interstate committee, I thank you for the opportunity to appear here today, and for your consideration of our requests. We ask that this committee, as well as the Congress as a whole, continue to provide the leadership it has in the past in determining whether or not our water resource programs are adequate.

There are still many problems that are not being addressed and many solutions that are still being sought. We must have an adequate national water policy and programs soon and for future years.

Again, we solicit your favorable consideration of our request and thank you for this opportunity to present testimony.

Mr. Chairman, I request that this statement and the submitted statements be made a part of the record.

Senator BURDICK [presiding]. The submitted statements will be made a part of the record, without objection.

[The statements follow:]

STATEMENT OF ROBERT S. KERR, JR., SPOKESMAN FOR THE ARKANSAS RIVER BASIN INTERSTATE COMMITTEE

I am Robert S. Kerr, Jr. from Oklahoma City, Oklahoma, spokesman for the Arkansas River Basin Interstate Committee. My colleague, ~~Gail~~ Gail Graham, from Joplin, Missouri, is Chairman of our Committee. It is our pleasure to appear here today before your very distinguished Committee.

Our Committee represents the five great States of Arkansas, Colorado, Kansas, Missouri, and Oklahoma and its members have been appointed by our respective Governors to present a consensus of the water resource funding needs of these states in the Arkansas Basin.

In the interest of time, I will not introduce the Committee members and other citizens who have accompanied us here today. They are listed in our written statement, but I would ask that you allow them to stand and be recognized. Many of them have been here before and they represent a dedicated group of people from the five-state area who have worked over the years to improve the Arkansas Basin area through development of its water resources.

All of us sincerely appreciate the opportunity to again appear before this distinguished committee and express our views concerning funding of our water resource projects and studies.

My testimony will be brief and we have incorporated additional material in the written statement which we have submitted.

The Committee is aware of the inflationary pressure driving up costs of water projects, and we are aware of this Administration's approach in its efforts to reduce spending and work for a balanced budget. We cannot afford to be short-sighted. As we all know, it is our responsibility as citizens of this great nation to protect and control our most precious natural resource --- water.

We believe that the Congress has adequately demonstrated its ability to make wise decisions concerning the Nation's annual investment in water resource programs, and must retain this decision-making responsibility.

We have a number of projects in the Arkansas Basin where relatively minor additions would permit the Federal Water Resources Agencies to accomplish essential tasks during FY 1983, rather than waste the entire year for lack of funding.

We have watched the number of active projects and studies in the Arkansas Basin shrink significantly over the past years. This is partly due to the completion of projects. We need to take a concerned look at the Administration's policies requiring full cost recovery. It may well take an even greater toll than past criteria established for conducting studies and planning and evaluating projects.

Though the Congress has consistently provided funds for general investigations and planning, the results have often been to put another study or needed project on the shelf after the funds are spent. As an example, Sand Lake in Bartlesville, Oklahoma was authorized by the 1962 Flood Control Act. Since the project was authorized in 1962, no funds have been received by the Tulsa District to initiate Advance Engineering and Design studies. To date, approximately $118,000 has been expended on studies. Douglas Lake in Kansas was authorized by the 1965 Flood Control Act. The project has never been funded by the Congress for Advanced Engineering and Design studies. To date, approximately $129,500 has been expended on studies. Cedar Point Lake in Florence, Kansas was authorized by the 1950 Flood Control Act. To date, approximately $900,000 has been expended on Advanced Engineering and Design Work. Prosperity Lake in Joplin, Missouri was authorized by the 1974 Water Resources Development Act. Since 1981 no funds were included to continue investigations and studies. To date, approximately $858,000 has been expended on this project. The Big and Little Sallisaw project was authorized by the 1976 Water Resource Development Act. No funds were included in FY 81 or FY 82 to initiate a phase II General Design Memorandum effort. To date, approximately $235,000 has been expended.

If we are to meet the future needs of the American people for water, we must have a water resource policy and adequate annual investment that provides a level of studies, planning and construction that is fairly constant. Studies must produce solutions to problems and planning and construction must be turned towards executing those solutions.

The restricted capabilities of the Federal Water Resource Agencies should be prime evidence that we are concerned about the future needs which may be delayed by the Administration's policies on up-front financing.

Within these restrictions we have analyzed the needs of our area and set forth our request for funding in our Appropriation Request Summary.

In addition, each State Chairman has provided a statement which highlights the needs of his state. We ask that you consider our Committee's requests.

We are asking for a small increase for two studies: Arkansas River and Tributaries above John Martin Dam, CO and Prosperity Lake, MO.

Our requests for extra planning money are even less -- a small amount to initiate planning for Douglass Lake, Kansas and Sand Lake, Oklahoma. We do ask that $6,000,000 be appropriated for the Sallisaw project.

The Interstate Committee also urges the Congress to appropriate the full Corps of Engineers capabilities in the Operation and Maintenance area, including navigation, without new user taxes.

Justification for spending levels and for those increases that exceed the President's budget is contained in the material that is submitted. Justification for our request for each project is itemized in the report.

One of the most important issues that face the waterways and the McClellan-Kerr Arkansas River Navigation System in Oklahoma and Arkansas is the proposed segmentized user tax. We believe there needs to be a legislative declaration of the national interest in a modern, efficient, viable system of waterway transportation. The national defense, world trade, energy conservation, and economic development benefits emphatically are in the public interest, and it is time for Congress to say so in a declaration of legislative intent. While it may be inevitable that commercial users must pay a larger portion of costs directly related to the maintenance of navigation, the Administration's present assertion that the private sector and states should pay all of the costs is unacceptable.

The segmented charge, as favored in the Administration bill, would be particularly devastating to relatively new waterways, such as the McClellan-Kerr Waterway System, whose commercial traffic is still in the developmental stage.

On behalf of the Interstate Committee, I thank you for the opportunity to appear here today, and for your consideration of our requests. We ask that this Committee, as well as the Congress as a whole, continue to provide the leadership it has in the past in determining whether or not our water resource programs are adequate.

There are still many problems that are not being addressed, and many solutions that are still being sought. We must have an adequate National Water Policy and Programs, soon and for future years.

STATEMENT OF WALLACE A. GIERINGER, ARKANSAS CHAIRMAN, ARKANSAS RIVER BASIN INTERSTATE COMMITTEE

Mr. Chairman and members of the Committee, my name is Wallace Gieringer. I serve as Executive Director for the Pine Bluff-Jefferson County Port Authority at Pine Bluff, Arkansas, and was appointed by our former governor, David Pryor, to serve as a member of the Arkansas River Basin Interstate Committee. Other Committee members representing Arkansas are: Charles L. Steel, Douglas W. Parker, Homer Hall and Wayne Bennett.

The Arkansas Committee recognizes and appreciates your concern for needed fiscal responsibility. Let us identify certain projects vital to the economic well-being of our area.

In view of the flood problem in Little Rock where eight people were killed in the September 1978 flood, we ask you to provide $400,000 for the continuation of planning on this needed urban flood control project.

We support full funding for further construction for the McClellan-Kerr Waterway which includes the Conway Water Supply Relocation Project, and the completion of model studies and start of construction to resolve navigation problems on the Lower White River portion of the McClellan-Kerr Navigation System. The continued safe and dependable operation of the waterway is most important to the people of Arkansas and Oklahoma. Accordingly, we urge complete funding of the budget request for the operation and maintenance of the locks and dams and for the entire McClellan-Kerr Waterway.

With regard to attaining our energy independence goal, we urge you to provide the full capability of $600,000 for the continuation of planning for the Murray Hydropower (L&D No. 7) project. In recognition of the need for the energy from this project, the Corps of Engineers responded by completing a report in a year's time that has been favorably received by all interests. We need to keep this project going and can with the appropriation of the Corps capability amount.

We also have hydropower studies underway for adding energy production facilities at the existing locks and dams on the Arkansas River. The energy that could be produced would be very useful in cutting imports of foreign oil. Accordingly, we urge you to approve the amount in the budget for the Arkansas River Hydropower studies.

Let us call your particular attention to Ozark-Jeta Taylor Lock and Dam. Full Corps capability is needed for the operation and maintenance of the Ozark Project. Of that amount $1,900,000 is to pay for needed repairs to the power plant which has experienced problems due to its unique new design. (These units are now inoperable due to cracks in the main turbine shafts which are 55 feet long and 53 inches in diameter. This size cannot be forged as one piece and must be constructed in four individual segments, then welded together. The cracks are in a welded joint.)

Due to our location on the lower end of the Arkansas River, we have very few projects requiring substantial funding; however, the projects we do have are very important to the future growth of our state. We have important urban flood control studies at Fort Smith-Van Buren, and a navigation port study in the Little Rock-North Little Rock area that need funding up to the limit of the Corps of Engineers capability. At Clarksville and Russellville, Dardanelle and Morrilton studies to address municipal water supply, as well as urban flood control problems, are urgently needed to be fully funded if those cities are to be able to make the needed contributions to the economic welfare of our state and nation. Any delay in completion of these studies will delay the future development of our state and its contribution to our national economic well being.

As chairman of the Arkansas State Delegation, I would like to add our endorsement and support to the Interstate statement for the entire Arkansas River Basin. The orderly development of the entire Arkansas River Basin is most essential for the continued growth of our state's economy.

We join with our associates in Oklahoma, Kansas, Missouri and Colorado in commending your committee and Congress for having provided funds for the development of navigation, flood control and water resources in the past. The need for conservation and development of our water and land resources is even greater today. It is only through the action of your committee that this nation's needs can be provided.

Thank you for the privilege of presenting this statement to your committee.

Statement of James O. Foster, Kansas Chairman, Arkansas River Basin Interstate Committee

Mr. Chairman and members of the Committee, my name is James O. Foster. I am Utilities Coordinator for the Boeing Military Airplane Co. and Chairman of The Governor's Interstate Committee for The Arkansas River Basin. I am pleased to submit this statement today on behalf of myself and the other members of the Kansas Delegation who were appointed to represent the State of Kansas by the Honorable John Carlin, Governor.

My colleagues are Mr. Arthur Woodman, Architect, Wichita; Mr. Frank Liebert, Attorney-at-Law, Coffeywille; Mr. Roger Brown, Bank Executive, Arkansas City; Mr. Taylor Peckham, Insurance Executive, Augusta, Kansas. We are honored to join with our colleagues from the great States of Arkansas, Colorado, Missouri, and Oklahoma, in appearing before you today to put forth our views on the appropriations and projects in Kansas and The Arkansas River Basin.

As part of this statement, you will find two appendixes which the Delegation wishes to discuss. Appendix No. 1 lists those projects in The Arkansas River Basin of Kansas which the President has provided full funding: and we commend him for his recommendations and urge that you concur with them.

Appendix No. 2 lists those projects in the State of Kansas for which additional funding is needed. In addition to the budget figure, we have listed our recommended capabilities to advance or to keep on schedule projects now underway. Many of these projects will save millions of dollars if completed by advancing the work. We recommend that you give every consideration to these advancements as inflation will drive the costs even higher.

In Appendix No. 2, there are two particular projects that we wish to call to your attention. One, the Douglass Lake Project was conceived and started as a water and flood control project. This Project is badly needed because the cities in the area need the Municipal and Industrial Water Supply. As Wichita, Augusta, Newton, Winfield and Arkansas City continue their growth, water supply will become even more critical.

In recent years, the shortage of rainfall has damaged the present water supply and clearly shows the need for better Municipal and Industrial Water Supply. This project is needed not only for water storage, we believe, but also because farmers in this area continue to be devastated by floods.

We sincerely hope that you will appropriate funds to the Douglass Lake Project so that planning can start in the foreseeable future.

Two, the Halstead Project is a project of vital importance to not only the City of Halstead but the surrounding area. This project is a flood control project and in past years flooding has extensively damaged the City of Halstead which contains regional hospitals with many specialists. Halstead, although it is not large, provides medical services for a large surrounding it, as well as serving as a shopping center for a large farming community. Business in the city of Halstead cannot long afford to continue when they are devastated by floods each and every year. The flooding covers the entire downtown area of Halstead and creates problems for water and sewer treatment. This is a worthwhile project and a much needed project in our area. We believe this project should receive full funding of the $400,000 instead of the President's request of $290,000. This project needs to be constructed as soon as possible and we ask that you give it your every consideration.

Mr. Chairman and members of the Committee, we wish to thank you for the sincerely and dedicated manner in which you and your distinguished colleagues in the Congress of the United States have dealt with the Water Resources Programs in allowing us to present our views and recommendations to you. We look forward with great expectations and hope for the future of water resource development in Kansas; with your assistance, it can be achieved.

US ARMY CORPS OF ENGINEERS

FISCAL YEAR 1983 CAPABILITIES* IN THE ARKANSAS BASIN

NAME OF SURVEY OR PROJECT IN KANSAS	CATEGORY **	BUDGET ($1,000)	CAPABILITY ($1,000)	PURPOSE OF ADDITIONAL CAPABILITY
Arkansas River & Tributaries, Great Bend, KS, to Tulsa, OK (FDP)	(S)	600	600	No additional requirement
Verdigris River, KS & OK (FDP)	(S)	371	371	No additional requirement
Pearson-Skubitz Big Hill Lake, KS (FC)	(C)	-0-	-0-	Fully funded
Marion, KS (FC)	(C)	-0-	-0-	Fully funded
Arkansas River, Great Bend, KS, to John Martin Dam, C O (FDP)	(S)	320	320	Study completion
Verdigris River, KS & OK (FDP)	(S)	371	371	Continued Studies
El Dorado Lake, KS (FC)	(C)	4,700	4,700	Complete Project

APPENDIX NO. 1

FISCAL YEAR 1983 CAPABILITIES*
IN THE ARKANSAS BASIN

NAME OF SURVEY OR PROJECT IN KANSAS	CATEGORY **	BUDGET ($1,000)	CAPABILITY ($1,000)	PURPOSE OF ADDITIONAL CAPABILITY
Grand (Neosho) River, KS and OK (FDP)	S	-0-	400	Resume study
Arkansas River, Great Bend, Kansas to Tulsa, OK, at Halstead, KS (FDP)	SPE	290	400	Advance study completion 4 months
Verdigris River, KS and OK, Mingo Creek (FDP)	SPE	-0-	500	Continue study
Douglass Lake, KS (FC)	P	-0-	100	Initiate planning

*The Fiscal Year 1983 request amount is for the study considering this study by itself without reference to the rest of the program. However, it is emphasized that the total amount proposed for the Army's Civil Works Program in the President's Budget for Fiscal Year 1983 is the appropriate amount consistent with the administration's assessment of national priorities for Federal investments and the objectives of avoiding large budget deficits and the serious adverse effect that government borrowing is having on the national economy. Therefore, while the Corps of Engineers could utilize additional funds on the study, offsetting reductions may well be required in order to maintain our overall objectives.

**Categories include Study (S), Supplemental Preauthorization Studies (SP), Continuation of Planning and Engineering Studies (SPE), Planning (P).

Abbreviations:
FDP - Flood Damage Prevention
N - Navigation
MP - Multiple Purpose
FC - Flood Control

APPENDIX NO. 2

Statement of Charles L. Thomson, Colorado Chairman, Arkansas River Basin Interstate Committee

Mr. Chairman, and members of the Committee, my name is Charles L. Thomson, and I am General Manager of the Southeastern Colorado Water Conservancy District, headquartered in Pueblo, Colorado. I am honored to submit this Statement today in behalf of the other four members of the Colorado delegation who were appointed by our distinguished Governor, the Honorable Richard D. Lamm. My four colleagues are Mr. William McDonald, Director, Colorado Water Conservation Board; Mr. John E. Javernick, farmer and rancher from Canon City representing the Upper Arkansas Basin in Colorado; Mr. Lee Hancock, Superintendent, High Line Canal Company near Rocky Ford, a farmer representing the Lower Basin; and Mr. Raymond D. Nixon, retired Executive Director, Department of Public Utilities for the City of Colorado Springs, who represents the Municipal and Domestic water users in the Basin. We are truly honored to join our colleagues from the great States of Arkansas, Missouri, Oklahoma and Kansas in appearing before you today, and sincerely appreciate your affording us this time to testify as a single group in support of appropriations for necessary Water Programs and Projects throughout the entire reach of the Arkansas River, from its headwaters at an elevation of nearly 14,000 feet near Leadville, Colorado, to its confluence with the mighty Mississippi in Arkansas.

The 25 members of the Interstate Committee work very closely together to analyze necessary Water Projects in each of the five States, and through coordinated efforts agree on the Statement which will be presented by our Chairman, Mr. James Foster of Wichita, Kansas. We are of the opinion, Mr. Chairman, and members of the Committee, that the Interstate Committee truly epitomizes the type of Interstate cooperation which is so essentially necessary to the orderly development of Water Resource Programs which will benefit not only the citizens in the five States, but the entire Nation as well.

We from Colorado strongly recommend the approval of the $12.707 million requested by President Reagan for continued construction on the Fryingpan-Arkansas Project, along with the $1.715 million for operation and maintenance during the next Fiscal Year. The construction funds will permit continued construction on the Fountain Valley Pipeline, which will provide essential water to the rapidly growing Colorado Springs area, and also for continued work on the 200 megawatt Pumped-Back Storage Power Plant high in the Colorado Rockies. The first 100 megawatt Unit went on line in September, and the peaking power made available from this Plant will help greatly in meeting the peak demands throughout the service area. Officers of the Southeastern Colorado Water Conservancy District entered into a Final Repayment Contract with the United States on October 23, 1981, and beginning in April 1982, will make sizable payments to the United States for the reimbursable parts of the Project.

We also endorse the request by President Reagan for $350,000 for continued flood control studies on the Arkansas River above John Martin Dam in Colorado; $3.7 million for continued Dam Safety work at Trinidad Dam in Colorado, and $320,000 for flood control studies between Great Bend, Kansas and John Martin Dam. In addition, we recommend that the Congress of the United States authorize the appropriation of $250,000 for Phase II Planning of an essential Flood Control Program in the heart of the City of Pueblo. Phase I was begun immediately after the disasterous flood in 1965, and was completed in February of 1981. Agreement has been reached by all parties as to the necessary work, and copies of correspondence from Official entities in Pueblo accompany this Statement.

Our Committee also recommends the appropriation of $479,000 for operation and maintenance of Trinidad Dam and Reservoir as requested by the President of the United States, and we recommend that $1.244 million be appropriated for operation and maintenance of John Martin Reservoir, as compared to the $594,000 recommended by the Administration. The difference in the two amounts will permit the Corps of Engineers to make necessary improvements to the road system, and a Safety Program can be taken care of in the embankment of the Dam. John Martin Dam is used jointly by the States of Colorado and Kansas, and during 1980 and 1981, representatives from various Irrigation Companies and the members of the Interstate Compact Administration, worked out Cooperative Programs to better utilize the storage facilities at John Martin Reservoir. We would also urge the appropriation of an additional $200,000 to initiate a flood control study on Fountain Creek between Colorado Springs and Pueblo. This section of the River is prone to periodic flooding, and the study will provide essential information which local entities and the United States can use to determine ways to alleviate the expense of property damage and human suffering from such floods.

Mr. Chairman, and members of this distinguished Committee, we again want to thank each of you for the sincere and dedicated manner in which you have permitted those of us who must deal with Water Resource Management on a day to day basis to appear before you to present our recommendations regarding absolutely essential Water Resource Projects in the Arkansas River Basin. We firmly believe that investments made by the Congress in such Programs are truly one of the best investments the United States can make, and economic returns to the economy of our Nation and the World are many times more than the original investment. We do hope the Members of Congress will continue their strong support for such Water Programs, which will meet the needs which are growing each and every year.

STATEMENT OF GALE A. GRAHAM, MISSOURI CHAIRMAN, ARKANSAS RIVER BASIN INTERSTATE COMMITTEE

Mr. Chairman and members of the Committee, my name is Gale A. Graham, Banker from Joplin, Missouri, and I appear here today on behalf of the Missouri members of the Arkansas River Basin Interstate Committee. My four colleagues are: Fred A. Lafser, Director, Department of Natural Resources, State of Missouri; Mr. Ted B. Evans, banker from Carthage, Missouri; Mr. Douglas Mahnkey, Attorney from Forsyth, Missouri; and Mr. Layne Morrell, Realtor from Kimberling City, Missouri. We represent the Southwest corner of Missouri which is a part of the Arkansas River Basin. We are honored to join our colleagues from Arkansas, Kansas, Oklahoma and Colorado in appearing before you today and certainly appreciate the time afforded us to testify collectively in support of appropriations for projects along the entire reach of the Arkansas River.

We have a vital interest in the requests which are being submitted today by the Chairman of our Arkansas River Basin Interstate Committee and urge your favorable consideration of those requests. Included in the requests for FY 83 are several projects in Southwest Missouri: (1) County Line lake, (2) White River Basin Reservoirs, and (3) Prosperity Lake. We support these projects and hope that the requests for funding will be approved. The capability of the U.S. Corps of Engineers for the Prosperity Lake Study, which was recently shifted from Center Creek to Shoal Creek, is $200,000. We strongly urge the appropriation of $200 for the continuation of this study.

A multipurpose reservoir in this area is urgently needed to meet the ever increasing water supply needs in the area of Carthage, Carterville, Webb City, Carl Junction, Joplin, Neosho and Granby. Not only the increasing population but also the growing per capita demand for water will combine to produce greater demand than supply in the above-mentioned urban triangle within a few years. The use of water from deep wells and streams for irrigation is increasing rapidly. The Missouri Geological Survey Office in Rolla, Missouri reports a drastic drop in the water table in this immediate area in recent years.

We further support and urge your favorable consideration of all the projects in the Arkansas River Basin as listed on the appropriation request summary which is being presented today by the Chairman of the Arkansas River Basin Interstate Committee.

We have testified each year for many years concerning the importance of water resource management projects in the Arkansas River Basin and many others which are in the overall interest of the United States and we feel that adequate appropriations for such projects at this time will provide both immediate and long-range economic benefits for all our citizens.

We are greatly appreciative of your consideration of our needs in the past and solicit your favorable consideration of our requests as presented here today. We sincerely thank you for the opportunity to present them.

APPROPRIATION REQUEST SUMMARY *

FISCAL YEAR 1983

PROJECT	STATUS **	BUDGET ($1,000)	REQUEST ($1,000)	PURPOSE OF ADDITIONAL REQUEST
Arkansas River, Russellville-Morrilton AR (FDP)	S	-0-	200	Initiate and complete reconnaissance phase of study.
Canadian River and Tributaries - OK, TX, and NM (FDP)	S	175	285	Advance completion of OK City Floodway Extension Interim study 12 months.
Clarksville, AR (FDP)	S	208	300	Advance study completion 3 months.
Fountain Creek, North of Pueblo, CO (FDP)	S	-0-	200	Initiate and complete reconnaissance phase of study.
Grand (Neosho) River, KS and OK (FDP)	S	-0-	400	Resume study.
Little Rock-North Little Rock, AR Navigation Study (N)	S	-0-	150	Initiate and complete reconnaissance phase of study.
Arkansas River above John Martin Dam Colorado (Phase I) (FDP)	SP	350	650	Initiate test reach interim study.
Parker Lake, OK (FDP)	SPE	-0-	100	Continue Study.
Arkansas River, Great Bend, Kansas to Tulsa, OK, at Halstead, KS (FDP)	SPE	290	400	Advance study completion 4 months.

PROJECT	STATUS **	BUDGET ($1,000)	REQUEST ($1,000)	PURPOSE OF ADDITIONAL REQUEST
Arkansas River and Tributaries, above John Martin Dam, CO (Fountain Creek Phase II)	SPE	-0-	250	Continue Study.
Arkansas River and Tributaries, Hydropower and Other Purposes, Murray Lock and Dam 7, AR (N)	SPE	-0-	600	Continue Study.
Arkansas River and Tributaries, Hydropower and Other Purposes, OK and AR, W. D. Mayo Lock & Dam 14, OK (N)	SPE	-0-	500	Continue study.
Fourche Bayou in the vicinity of Little Rock, AR (FDP)	SPE	-0-	400	Continue study.
Lake Wichita, Holliday Creek at Wichita Falls, TX (FDP)	SPE	190	250	Advance study completion 3 months.
Verdigris River, KS and OK, Mingo Creek (FDP)	SPE	-0-	500	Continue study.
Douglass Lake, KS (FC)	P	-0-	100	Initiate planning.
Sand Lake, OK (FC)	P	-0-	250	Initiate planning.
Prosperity Lake, MO (Phase I) (FDP)	SP	-0-	200	Continue study.

WHITE RIVER BASIN
Fiscal Year 1983

White River Basin - County Line Lake, MO (FDP)	S	200	300	Advance study completion 3 months.
Black River, MO and AR (FDP)	S	-0-	200	Initiate and complete reconnaissance phase of study.
White River Fish Hatchery, White River Basin, AR (MP)	P	-0-	100	Initiate planning.

* The Fiscal Year 1983 request amount is for the study considering this study by itself without reference to the rest of the program. However, it is emphasized that the total amount proposed for the Army's Civil Works Program in the President's Budget for Fiscal Year 1983 is the appropriate amount consistent with the administration's assessment of national priorities for Federal investments and the objectives of avoiding large budget deficits and the serious adverse effect that government borrowing is having on the national economy. Therefore, while the Corps of Engineers could utilize additional funds on the study, offsetting reductions may well be required in order to maintain our overall objectives.

** Categories include Study (S), Supplemental Preauthorization Studies (SP), Continuation of Planning and Engineering Studies (SPE), Planning (P).

Abbreviations:
FDP - Flood Damage Prevention
N - Navigation
MP - Multiple Purpose
FC - Flood Control

STATEMENT OF HOUSTON ADAMS, OKLAHOMA CHAIRMAN, ARKANSAS RIVER BASIN INTERSTATE COMMITTEE

Mr. Chairman and members of the Committee, I am Houston Adams, a banker and Oklahoma Chairman of the Arkansas River Basin Interstate Committee, from Tulsa, Oklahoma.

It is my privilege to present this statement on behalf of the Oklahoma members of the Committee in support of adequate funding for water resource projects in our area of the Arkansas Basin. Other members of the Committee appointed by our Governor, The Honorable George Nigh are: Mr. E. R. Albert, Jr.; Mr. Robert S. Kerr, Jr.; Mr. Harold B. Scoggins; and Mr. Fred G. Turner.

We, together with representatives of the other Arkansas Basin States, fully endorse the statement presented to you today by the Chairman of the Arkansas Basin Interstate Committee.

We appreciate the opportunity to present our views of the special needs of our State concerning several studies and projects.

We were pleased when the President presented in his budget message for FY 1983 $22,600,000 in funds for the continued construction of Arcadia Lake, Oklahoma.

One of our studies -- Poteau River, Oklahoma and Arkansas -- could be advanced if we could get an additional $100,000 in FY 1983.

A boost for added hydropower would be valuable at existing sites such as Mayo Lock and Dam, etc.

We also ask that $500,000 be appropriated to impliment the program for the Southeastern Resources Project (Lake Lukfata at Glover Creek).

The Arkansas Basin Development Association, Inc. has long supported the full and comprehensive development of the water resources in the Arkansas River Basin, therefore we are extremely pleased with the recent authorization by the House Public Works and Transportation Committee of a study by the Corps of Engineers to evaluate the Arkansas River's potential to meet the future water supply needs of Arkansas and Oklahoma.

ABDA urges this Committee to appropriate sufficient funds to this study effort for its timely completion.

However, we believe this to be only the first step in development of a program for the nation to receive maximum benefits from the development of the resources of the Arkansas River Basin. Full benefits to the nation and region will occur only with the systematic and comprehensive development of all of the natural resources of the Basin. Water is the key to this development. However, a program which is built on the interrelationship of water and all other natural resources must be implemented if the nation and the region are to receive maximum benefit from the resource development. An example of such a comprehensive resource development program is that of TVA. A review of the results of that type of concentrated and comprehensive program show them to be short only of a miracle and the benefits to the nation are undisputable. The ABDA strongly recommends that we not only take this first step towards the maximum development of the Basin's resources, but that we commit to complete the projects not only in the Arkansas Basin, but in others throughout the nation. By so doing ABDA believes the nation will avert its next resource crisis --- water!

Our other urgent need is for a planning start on Sand Lake, Oklahoma. The supporting statement from Bartlesville, Oklahoma sets forth the reasons that justify the appropriations to commence this project.

We also ask that $6,000,000 be appropriated for the Sallisaw Project. This would give the McClellan-Kerr Navigation System additional traffic.

These requests, although relatively few in number, are vital to the economic vitality of Oklahoma. Additionally, they represent important assets in conservation, supply, and recreation. Delays in funding will result in excessively high future cost, while deferring the availability of these projects to the people of the State and nation.

We appreciate the opportunity to present our views to your distinguished Committee.

ARKANSAS RIVER BASIN INTERSTATE COMMITTEE MEMBERS

FROM ARKANSAS:

W. A. Gieringer, Pine Bluff-Jefferson County Port Authority, Pine Bluff, AR - (State Chairman)
Wayne Bennett, Farmer and Businessman, Lonoke, AR
Homer Hall, Retired Farmer, Ozark, AR
Charles Steel, Arkansas Power and Light Company, Little Rock, AR
Jerry Virden, Manager, Pine Crest Wood Products, Morrilton, AR

FROM OKLAHOMA:

Houston Adams, President, Bank of Tulsa, Tulsa, OK - (State Chairman)
E. R. Albert, Jr., Albert Equipment Company, Tulsa, OK
Robert S. Kerr, Jr., Oklahoma Water, Inc., Oklahoma City, OK
Harold B. Scoggins, Muskogee, OK
Fred G. Turner, Editor and Publisher, McAlester News-Capital, McAlester, OK
R. Dow Damron, Executive Secretary, Interstate Committee, Tulsa, OK

FROM KANSAS:

James O. Foster, Utilities Coordinator, Boeing Military Airplane Company, Wichita, KS - (State Chairman)
Roger Brown, Vice President, Home National Bank, Arkansas, KS
Frank W. Liebert, Attorney, Coffeyville, KS
Taylor Peckham, Peckham Insurance Agency, Augusta, KS
Arthur T. Woodman, Woodman - Architects, Wichita, KS

FROM COLORADO:

Charles L. Thomson, General Manager, Southeast Colorado Water Conservancy District, Pueblo, CO - (State Chairman)
Lee H. Hancock, The High Line Canal Co., Rocky Ford, CO
John Javernick, Farmer and Rancher, Canon City, CO
William McDonald, Director, Colorado Water Conservation Board, Denver, CO
Ray D. Nixon, Colorado Springs, CO

FROM MISSOURI:

Gale A. Graham, Vice President, First National Bank and Trust Company, Joplin, MO - (State Chairman and Chairman of the Interstate Committee)
Ted B. Evans, President, The Bank of Jasper, Jasper, MO
Fred A. Lafser, Director, Department of Natural Resources, Jefferson City, MO
Douglas Mahnkey, Attorney, Forsyth, MO
R. Layne Morrill, Realtor, Shepherd of the Hills Realty, Kimberling City, MO

STATEMENT OF GEORGE GLENN, MAYOR, SALLISAW, OKLA.

In November 1981, the Corps of Engineers published Design Memorandum Number One and the Final Environmental Impact Statement on Big and Little Sallisaw Creeks, Oklahoma Navigation Project.

The 1983 budget contains $135,000.00 for pre-construction planning. We believe the Corps has the capacity to complete the modest pre-construction planning in conjunction with final design and have the total project completed in twelve (12) to eighteen (18) months following funding.

The City of Sallisaw, Sequoyah County and Eastern Oklahoma is an economically depressed area. The area has historically suffered from chronic high unemployment. The construction and completion of the port will create jobs not only at the port, but in port related businesses and industry in the surrounding area. The port will also serve as a catalyst for new businesses and industry to locate in the area.

The project currently has a cost benefit ratio of 1.5 to 1 based on an updated first cost of $5,800,000.00. The total benefits of the project will enure not only to the local area and eastern Oklahoma, but to the Arkansas River Navigation System through increased traffic and user fees.

We, the undersigned, urge that a total of six million (6,000,000) dollars be appropriated for the construction of this project in fiscal year 1983.

George Glenn, Mayor
City of Sallisaw

Don Mentzer, State Representative
Oklahoma, District 2

Frank Griffin
Frank Griffin, Chairman
Board of County Commissioners
Sequoyah County

Jim Mayo
Jim Mayo, Publisher
Sequoyah County Times

Frank Durkee
Frank Durkee, President
First National Bank, Sallisaw

Jerry Hetherington
Jerry Hetherington, President
Sallisaw Chamber of Commerce

Owen Taylor
Owen Taylor, Chairman
Sequoyah County Democratic Party

Richard E. Cosner Jr.
Richard E. Cosner, Jr., Chairman
Sequoyah County Conservation District

Calvin Remy, Chairman
Sallisaw Port Authority

Joe Johnson
Joe Johnson, State Senator
Oklahoma, District 4

Lloyd E. Church
Dr. Lloyd Church, Member
Arkansas, Oklahoma, Arkansas River Compact Commission

R. Perry Wheeler, Deputy Chief
Cherokee Nation

Earl McDonald, Jr., President
National Bank, Sallisaw

Rick Murphy, Exec. Vice President
Sallisaw Chamber of Commerce

Lou Cosner
Lou Cosner, Chairman
Sequoyah County Republican Party

Jim Hudgens, City Manager
City of Sallisaw

STATEMENT OF JACK M. BELDEN, MAYOR, JOPLIN, MO.

It was determined by the U.S. Corp of Engineers in 1980 that a multipurpose lake on Center Creek was not economically feasible. Subsequently the study was shifted to possible locations on Shoal Creek. The cities of Joplin and Neosho as well as several incorporated villages in the area depend on Shoal Creek for their water supply. Drought conditions in the area have been quite severe and this, together with the rapidly increasing use of water for irrigation, have caused the water level in our area to drop. The flow in Shoal Creek is at a very low level.

The President's budget allocates nothing to the Prosperity Lake study on Shoal Creek for FY 83. The U.S. Corp of Engineers have indicated a capability of $200,000 for FY 83. The $200,000 could speed up completion of the study. We sincerely feel that the additional $200,000 should be budgeted for FY 83 and hereby request that the full $200,000 be allocated for this project for FY 83.

Gary Trim, Manager
Joplin Water Works Co.

Jack M. Belden, Mayor
City of Joplin

Robert Moyer
Robert Moyer, President
Joplin Chamber of Commerce

James Berzina, City Manager
Joplin, Missouri

William H. Harper, Exec. Vice President
Joplin Chamber of Commerce

Charles Hargis
Charles Hargis
Associate Judge, County Court
Carthage, Jasper County, Missouri

DW Crockett
P. D. Crockett, Mayor
Webb City, Missouri

Frank Dean, Mayor
Carl Junction, Missouri

John Shonkwiler
Presiding Judge, County Court

L.W. Higdon, Vice-Pres., Cashier
Bank of Neosho, Neosho, Mo.

R. Scott Grigsby, President
Neosho Area Chamber of Commerce

G A Graham
Gale A. Graham, Chairman
Missouri Members
Arkansas River Basin
Interstate Committee

Roy Cochran
Roy J. Cochran, Executive Vice-Pres.
First National Bank of Neosho, Mo.

STATEMENT OF ARCH ROBBINS, MAYOR, BARTLESVILLE, OKLA.

The Bartlesville area is dependent on the Sand Lake for future water supplies. The City of Bartlesville made application for water supply storage in Sand Lake on May 16, 1960. Additional water supplies will be a necessity in 1988-1990. If our area is to continue to grow and prosper, it is imperative that planning funds be made available now for Sand Lake. Since it will take six or seven years to plan this project and another five years for completion, we find it essential that funds be appropriated in order that the water supply will be available when needed.

The Sand Lake should receive high priority consideration, as it offers benefits much more far-reaching geographically than the immediate vicinity. It will help alleviate flood conditions in the Caney, Verdigris and Arkansas River Basins. It is part of an integrated basin plan approved by Congress in 1962. All of the other structures are presently under construction. Without Sand Lake, we do not have a completed system.

We, the undersigned, strongly urge that the currently needed appropriation of $250,000 be made to start planning for Sand Lake.

Sincerely,

Arch Robbins
Mayor of Bartlesville

Don Doty
President, Chamber of Commerce

Chairman, Washington Co. Commission

D. L. Osborne
Chairman, Caney Valley Conservation District

Chairman, Phillips Petroleum Co.

President, Caney Valley Water Shed Association

President, Copan Lake Association

STATEMENT OF COLEMAN FITE, MAYOR, MUSKOGEE, OKLA.

On behalf of the citizens of the City and County of Muskogee, Oklahoma, we endorse and approve the action of the Arkansas River Basin Interstate Committee from Arkansas, Colorado, Kansas, Missouri, and Oklahoma in presenting their requests for appropriations with which to continue development of the natural resources in the Arkansas River Basin, before this honorable committee of the United States Congress.

In addition, we endorse the full program on Public Works as adopted by the Arkansas River Basin Development Association of Oklahoma.

Nothing in the past half century has boosted the economy of the southwest so much as the completion of the Navigation System. Not only does it provide us with an economic source of transportation in savings on freight rates and electric energy, but it also provides tremendous recreation and flood control facilities for the benefit of literally millions of people. This is to say nothing of the thousands of job opportunities which have been created for the citizens of the States of Arkansas and Oklahoma.

With progress comes problems, which are simply part of the upkeep of such major projects, and correcting or eliminating them is as important as building the navigation system itself. We respectfully request that every consideration be given to the recommendations of the Arkansas River Basin Interstate Committee in order that our progress can continue to be as strong in the future as it has in the past recent years.

Recent Government reports point to the fact that the McClellan-Kerr Arkansas River Navigation System is the only waterway in the Nation that is constantly increasing in tonnage shipped. This points to the fact that the potential usage of this particular system is still in its infancy and will continue to grow for years to come.

Sincerely yours,

Hardy Summers
Hardy Summers, District Judge
Oklahoma District Number 15

Michael C. Turpen, District Attorney
Muskogee County, Oklahoma

Eddie French
Eddie French, Chairman, County Commissioners
Muskogee County, Oklahoma

Fred Shelton, Commissioner
Muskogee County, Oklahoma

Kenneth Ward, Commissioner
Muskogee County, Oklahoma

Coleman Fite, Mayor
City of Muskogee, Oklahoma

James C. Leake
James C. Leake, Chairman
Muskogee City-County Port Authority

Harry E. Leonard, President
Muskogee Chamber of Commerce

J.E. Bob Wright, Executive Director
Greater Muskogee Development Corporation

Ed Edmondson
Ed Edmondson, Former U.S. Congressman

Harold B. Scoggins
Harold B. Scoggins, Member
The Arkansas River Basin Interstate Commission
Oklahoma

STATEMENT OF STATE REPRESENTATIVE DON MENTZER FOR SEQUOYAH COUNTY, OKLA.

I want to thank you on behalf of the City of Sallisaw and our delegation for the opportunity of appearing before you today.

My name is Don Mentzer, State Representative for Sequoyah County, Oklahoma. Others with me today in support of this project are:

Joe Johnson, Oklahoma State Senator
George Glenn, Mayor, City of Sallisaw
Jim Mayo, Publisher, Sequoyah County Times
Calvin Remy, Chairman, Sallisaw Port Authority
Harry Scoufos, Port Authority member
Dave Phillips, Port Authority member
Lloyd Haskins, Port Authority member
Jim Hudgens, City Manager, City of Sallisaw

We realize and appreciate the value of your time, therefore, my remarks will be brief and to the point.

The purpose of our appearance is to request the appropriation of six (6) million dollars in the 1982-83 budget to fund construction of the Big and Little Sallisaw Creeks, Oklahoma Navigation Project. This project was authorized in Section 130 of the 1976 Water Resources Development Act (PL 94-587) and the River and Harbor Act of 1946 (PL 525, 79th Congress, Second Session) as amended.

The feasibility of a port project on Sallisaw Creeks was first studied in 1965. In the past seventeen (17) years, this project has been studied, analyzed, probed, re-analyzed and re-studied, etc., etc., ad infinitum. The last report on this project was Big and Little Sallisaw Creeks Design Memorandum Number One and the Final Environmental Impact Statement published by the Corps of Engineers in November, 1981. Every report prepared on this project has concluded that the Sallisaw Port is technically and economically feasible. The latter states a benefit-to-cost ratio of 1.6 to 1. This exceeds the benefit-to-cost ratio of the McClellan-Kerr project of 1.3 to 1 when it was approved. We believe that this ratio is somewhat understated because it was derived only from transportation savings on commodities to be handled by the port. We believe that the port will be the catalyst for the expansion of existing industrial, manufacturing and agricultural businesses in the area. We believe that the port will be the catalyst to attract new business and industry to the area. The expansion of existing and the attraction of new industry to our area equates to jobs and an enhanced tax base. Construction of the McClellan-Kerr Navigation System removed 53,000 areas in Sequoyah County alone from agricultural production and the tax rolls. The McClellan-Kerr project was supported and encouraged by the leadership in Sallisaw and Sequoyah County. We believed, as did Congress, that the objectives of the navigation system were beneficial to Eastern Oklahoma and the nation. We believe that the continued development of the navigation system with justifiable ports like the Sallisaw Creeks project are a necessary part of achieving these objectives. Sequoyah County is an economically depressed area that has suffered from chronic high unemployment for many years. We believe this project will help cure that problem.

The location of the project is excellent. The turning basin is located two (2) miles south and one-half (1/2) mile west of the intersection of U. S. Interstate 40 and U. S. Highway 59. The turning basin is within one-quarter (1/4) mile of the City of Sallisaw sewage treatment plant. Within three (3) miles of the site are two (2) rail systems - the Missouri-Pacific and the Kansas City Southern. Sufficient water, sanitary sewer and electric utility capacities to serve the site are available from the City of Sallisaw systems.

In closing, I would like to point out that the McClellan-Kerr Navigation System has been successful. Were it not for the foresight of Congress, the Arkansas River Navigation System would not be contributing to our national economic development. The Administration's proposal to increase the local cost of developing this great natural resource must be opposed or development will cease. To better utilize that investment and the opportunities it presents, continued development of the system is a must. The funding, construction and operation of this project is a viable cost-effective addition to the navigation system. The time for studies and reports is ended. The time for construction and operation of the project is here. We believe that the Tulsa District Corps of Engineers has the capacity to have this project completed twelve (12) to eighteen (18) months from funding authorization. We urge you, in the strongest terms possible, to make this project a reality. Thank you.

I or the members of our delegation will be happy to answer any questions you might have.

STATEMENT OF GEORGE GLENN, MAYOR, SALLISAW, OKLA.

The following is a restatement of questions you asked on behalf of Congressman Watkins during the City of Sallisaw's testimony on March 30, 1982 and the City of Sallisaw's response to those questions.

Question:

"As you know, the administration has proposed new cost-sharing rules to apply to all new construction starts, regardless of when the projects were authorized. In the case of the Big and Little Sallisaw Creeks Project, a local sponsor would be required to provide seventy-five (75) percent up-front financing. I know you have been working on this project for seventeen (17) years. Do you think it is fair for the administration to change the rules in the middle of the game, particularly when the local cost sharing agreements were worked out for your project several years ago?"

Response:

No, we do not view this proposed change as fair or equitable. We realize that nothing remains static. However, we also realize and appreciate that we in government at the local level must stand by our commitments - we expect no less from our Federal government.

Question:

"All of us in Eastern Oklahoma worked very hard to make completion of the Arkansas River Navigation System a reality because of the economic impact it would have on our area. We gave up a lot of valuable land which was removed from the tax rolls because we thought it was a reasonable trade-off for the eventual economic development the navigation system promises. How much land was taken over by the Federal government in Sequoyah County to enable construction of the navigation system, and what impact has this had on county and local government in terms of tax revenue foregone?"

Response:

Sequoyah County contributed 53,000 acres to the McClellan-Kerr project. Acquisition of these properties began in the early 1960's. Inundation of these properties occurred in 1970. At current values, the inundated property has reduced the annual tax levy by approximately $148,500 per year. This amount multiplied by the twelve (12) years since inundation equal a total tax dollar loss of $1,780,800. In addition to the actual dollars lost $2,120,000 in assessed value was lost from the tax rolls. This assessed value loss substantially diminished the general obligation bonding capacity of local government. Two examples of this situation are: the Sallisaw Independent School District was given one-hundred and five (105) acres of land on which to build a new school. The District, however, does not have sufficient assessed value (bonding capability) to issue the bonds for construction. The Sequoyah County Commissioners are under an order to improve the county jail or face closure. Even with a $200,000 grant from the State of Oklahoma, the county does not have sufficient assessed valuation (bond capacity) to issue bonds for construction. The major portion of the 53,000 acres inundated by the McClellan-Kerr project was in agricultural production. Prior to the McClellan-Kerr project, Sequoyah County was the number one soybean producing county in the state. In the years following the McClellan-Kerr project, Sequoyah County has dropped to seventh in soybean production. With the drop in production has been a corresponding loss in agricultural jobs and related support services.

Question:

"Please provide for the record all the investment that has been made or will be made by state, county and local government and other public and private interests to make the Sallisaw port functional."

Response:

Beginning with the first studies in 1965 (H. E. Bailey Study and Poe and Associates Study), a total of $114,500 has been expended on feasibility and development reports. In addition, the City of Sallisaw has expended a total of $335,300 on electric distribution system improvements, sewer treatment and collection system improvements, water distribution system improvements, access road to port site and three separate trips to Washington. The utility system improvements were made and sized predicted upon the expected development of the port.

Private land ownership has dedicated in excess of two-hundred acres contiguous to the port site for industrial development. The City of Sallisaw has committed to the initial development of forty-four (44) acres of water frontage development. The following is a list of local activities and non-Federal cost delineated in the 1974 Poe and Associates Study:

Upgrade and extend access road	$ 260,000
Electric service	25,740
Natural gas service	97,688
Fencing	3,094
Landscaping	1,300
Port office	2,600
Rail service	286,000
Land acquisition	93,200
	$ 769,622
Plus amount already expended	335,300
	$1,104,922

It must be remembered that the cost supplied in the Poe and Associates Study was based on 1974 dollars. Therefore, these future costs to make the port functional must be adjusted for the inflationary spiral that has occurred over the past eight (8) years.

Question:

"How does the benefit-cost ratio of the Big and Little Sallisaw Creeks Project compare to the benefit-cost ratio estimated by the Corps for the entire McClellan-Kerr Arkansas River Navigation System?"

Response:

The Big and Little Sallisaw Creeks Oklahoma Navigation Project, Design Memorandum No. 1 and the Final Environmental Impact Statement published in November of 1981 states a benefit-to-cost ratio of 1.6 to 1 based on a first cost of $4,315,000. The Tulsa District Corps of Engineers have updated the first cost at our request assuming a 1983 construction start. The updated figures are a 1.5 to 1 benefit-cost ratio based on a first cost of $6,000,000. This revised ratio of 1.5 to 1 still exceeds the 1.3 to 1 benefit-cost ratio for the McClellan-Kerr project when it was authorized.

Question:

"Please provide for the record the unemployment and growth rate statistics for Sequoyah and LeFlore Counties, the two major counties to be positively impacted by construction of the Sallisaw port."

Response:

Sequoyah and LeFlore Counties are economically depressed areas that have historically suffered from chronic unemployment. The January 1982 unemployment rate in LeFlore and Sequoyah Counties was 9.4 percent and 13.1 percent respectively. Population figures for the two counties are as follows:

	1970	1980	Percent Increase
LeFlore	32,137	40,199	20.05%
Sequoyah	23,370	30,438	23.32%

Again, I want to take this opportunity to thank you and your committee members on behalf of the City of Sallisaw for your time and courtesy.

PREPARED STATEMENT OF SENATOR EAGLETON

Senator BURDICK. My colleague, Senator Eagleton, has submitted a prepared statement covering the Harry Truman project which will go in the record at this point.

[The statement follows:]

STATEMENT OF SENATOR THOMAS F. EAGLETON

I would like to express to the subcommittee my opposition to the elimination of funding for the completion of recreational areas at Harry S. Truman Dam.

I realize that cost-sharing on these types of facilities has been incorporated on all Corps of Engineers projects authorized after 1965. However, I find it unconscionable for the administration to require cost-sharing on this project at the last minute, when the local and State governments do not possess the funds necessary to complete these projects as the local citizens had been promised.

I suppose that Mr. Stockman likens the recreational areas at Truman Dam to the tennis courts built near his Michigan home with revenue-sharing funds. However, the recreational areas at Truman Dam represent the Government's commitment to provide a tourist attraction for local economies which would offset the diminished tax base, loss of farmland, and other effects of the dam.

The Corps of Engineers estimates that the dam derives about one-eighth of its benefits from its recreational aspect. Further, only one-third of the proposed funding for recreational areas has been spent. To delay these benefits only causes further hardship for the residents of these areas.

More than 1 million people visited the Truman Dam area last year and that number will continue to grow. Where does the administration think these people will go, when, for example, about 1,300 of the 1,900 campsites remain to be completed?

The Truman Lake is fast gaining a reputation as one of the finest lakes in the Midwest, if not the Nation. The administration's budget proposal serves only to create a multitude of problems, both for visitors and residents, and I urge you to act to ease those burdens.

MISSOURI RIVER BASIN WATER RESOURCE PROJECTS

Senator BURDICK. Our next group will be the Missouri River Basin Association, Mr. James McPherson, executive vice president.

Mr. MCPHERSON. Thank you, Mr. Chairman.

We will try to keep our comments as brief as possible. We have a large number of people with us today. I won't take the time to read all of their names. We have submitted a complete list to the committee for inclusion in the record. If the members of the Missouri River Basin Association that are here today would please stand. [Large group standing.]

Most of these people have statements. We will file those for the record. In addition, there are a few individuals who would like to make very brief statements.

If we could start off by calling Dick Fleming and Pete Warner who will speak on the Truman Lake project.

HARRY S TRUMAN DAM AND RESERVOIR, MO.

STATEMENT OF T. D. FLEMING, CLINTON, MO.

Mr. **FLEMING.** My name is Dick Fleming. We are like the people in South Dakota, when you shake a hand, you've made a deal, you have a deal. That apparently is not true with OMB. The Federal Government has spent half a billion dollars on the dam—water is impounded. We are trying to generate power and all of a sudden they tell us the recreation areas are not going to be finished.

These public use areas may seem somewhat less in intensity than some of the testimony we have heard, but I can tell you where economic recovery is concerned, it is pretty important.

We are also talking about changing policy. What is amazing is, we are really not talking about a whole lot of money. When you spend half a billion for a dam and you start to quibble over $32 million and only $2.2 million this year, it seems almost insignificant.

The appropriations request of the Corps of Engineers is $9.8 million. Their capability is $12 million. With that additional money, a host of things can be done in the area of public use. It can make available facilities that are not now available, but are being used and are being vandalized. It is going to be a lot more expensive in the future. I will not take up any more of your time except to say it appears to me we were authorized in 1962 to build this dam and the public supported that authorization by Congress.

If the OMB can make policy changes without the authorization of the Congress, that appears to me somewhat out of step. And we appreciate your review and we would appreciate your concern.

Thank you.

[The statement follows:]

STATEMENT OF T. DICK FLEMING, PRESIDENT, UPPER OSAGE-SOUTH GRAND BASIN ASSOCIATION

Twenty years ago the Harry S. Truman project began it's journey toward completion with high hopes and Federal promises.

Twenty expensive years later, a contingency of community leaders continue to make their annual pilgrimage to your committee, pleading for funds to finish the job.

This project has had to vault almost every major obstacle: war, environmental objection, downstream problems, and economic setbacks. This massive project, who's completion date was projected for mid to early 1970's, at a cost of less than a quarter million dollars, now faces the ultimate challenge—OMB change of policy. We feel this is a step backward and is not in keeping with the original promises of 1962.

The problem centers around public use areas and their completion. New cost-sharing requirements under the present administration and their policies regarding same has threatened to stop the single most important development for the reservoir which impacts the immediate area. It goes without saying that the public use areas are the main stream of economic recovery for the citizenry around the dam and reservoir.

It also causes great concern, because every project authorized in the Kansas and Osage River basin with recreational development has been completed with 100 percent Federal funds except Truman.

The Corps of Engineers project the project to return $41 million per year to the Federal coffers. Of that, approximately $5 million a year is projected to be from the recreational sources. Yet after almost a half-billion dollars spent on the dam toward completion, the Office of Management and Budget is reneging on $32 million promised for the completion and development of public use areas. So far, only $18 million has been spent on this important area of the Truman Dam project.

I repeat, we're not asking for any more than was promised in 1962. For the last 10 years, we have had one constant plea: Finish the dam project.

Recreation is not a dirty word. At least it's not in mid-Missouri or in the Truman Dam area. It's synonymous with economic recovery. It's people coming to and through the area, bringing their families, making purchases, business developing. It's trade; it's commerce; it's the rehabilitation of an area where large quantities of land have been taken out of production. It's the revitalization of the area's economy. We're asking you to help us. Help us by adding $2.2 million to the 1983 budget request to the State of Missouri and the Truman Dam and Reservoir area.

We appreciate your willingness to hear us and your patience in the past, and your generosity. And we look forward to some action on this particular matter.

Thank you.

STATEMENT OF PETE WERNER, SHERIFF, HENRY COUNTY, MO.

Mr. WERNER. I am Pete Werner, sheriff, Henry County, Mo. Our county is broke. I see the hardships caused by the creation of Truman Reservoir and the only way we can cope is for this committee and its affiliates to finish the project.

Thank you for your time.

[The statement follows:]

STATEMENT OF PETER R. WERNER, SHERIFF, CLINTON, MO.

As a representative of Henry County, Mo., and as sheriff of this county, I respectfully request this subcommittee review the current proposals for funding the completion of the Corps of Engineers Truman Reservoir project, and compare these recent proposals to the original as it was presented to the citizens of the area of the project in 1954 through 1962.

It will immediately become obvious that this project was presented as an extremely costly item for the area residents as it would remove productive river bottom farmland, 209,000 acres, many roads, and necessitate the relocation of towns, cemeteries, and businesses. The presentations, which are a matter of record, indicated the costs would be ultimately recouped by the area through flood prevention, electric power generation, and the generation of a new-to-the-area industry—tourism.

For 20 years the area has paid the costs of lost tax revenue and income but has not received just payment returns of the electric power generation or the development of the tourism industry because the project is incomplete.

Now there is a proposed change that would mandate a cost-sharing for the completion of the visitor facilities that would be the foundation of the tourism industry in this area. This proposed change removes any possibility of the development of this industry as there are no local funds available.

The Nation's economy justifies budget cuts, restraint, and a prudent examination of priorities. These priorities should be established fairly and as the reservoir area has been economically depressed since the removal of such a large segment of the income-producing land during the initial construction of this project that, as a priority, the full completion of the project should rank very high. This high ranking should result in the completion of the project and visitor facilities as proposed in the 1954 and 1962 flood control acts.

As the county representative, I request you establish the completion of this project, as proposed 20 years ago, as a top priority.

I thank you for your patience and concern for this delegation and its cause.

LITTLE BLUE RIVER LAKES, MO.

STATEMENT OF DON O. ELEFSON, R.L.D.S. CHURCH, INDEPENDENCE, MO.

Mr. ELEFSON. I represent the Little River projects. These projects are located in Jackson County, Mo. They include Independence, Mo., and Kansas City. We have filed a number of statements representing the various committees and equal organizations that are interested in this project.

We would ask you to seriously study these statements that have been presented and consider what is being said.

I would only bring one thing to your attention. That is the fact we are in the middle of this project. We have completed the channel work, by and large, which has provided a needed service.

Our area has developed a critical point in a project. It is very important the lakes be finished now in order to keep from inundation occurring in the lower reaches. We are very pleased with the project; it is moving along but it is very, very important that the Corps capability be funded at this point in time.

Senator BURDICK. Thank you.

[The statement follows:]

STATEMENT OF FRANCIS E. HANSEN, PRESIDING BISHOP, REORGANIZED CHURCH OF JESUS CHRIST OF LATTER DAY SAINTS

Thank you for this opportunity to submit a statement in support of the plan of improvement for flood control and water resources for the Little Blue River in Jackson County, Mo.

We are very appreciative of the progress being made in resolving the flooding problems of the Little Blue River. We are also very pleased to note that the proposed budget includes the amount necessary to award the final contract for the construction of the dam at Longview Lake. This will be a major assist in resolving what has been a critical point during the development of this flood control program. With the completion of the major portion of the channel work the lower reaches of the Little Blue River basin was subject to inundation pending the completion of the lake projects. Continuing work on the Blue Springs Lake provides further assurance that the time when this most necessary project will be completed is near.

The Corps of Engineers has indicated a capability for the 1983 fiscal year of $26 million for construction of the lakes, also the Corps has indicated a capability of $5.1 million for the Little Blue River channel improvements. We would request consideration be given to the full capability of the Corps of Engineers.

MISSOURI RIVER LEVEE SYSTEM UNIT L611-614

STATEMENT OF EDWARD EATON, ATTORNEY, M&P MISSOURI RIVER LEVEE DISTRICT

Mr. EATON. I am Gene Eaton from Sidney, Iowa, an attorney. With me is Mr. Lincoln, a farmer from Pacific Junction. The district is the sponsor of the levee 611-614, which is the Corps levee project on the left bank of the Missouri River extending from Palo County down to Mills County.

We have appreciated your past support in funding for this project which is now well underway. The President has included in his fiscal year 1983 budget $1,872,000. This money is vitally needed for us to continue the project since we are down now to starting the first stage of the project, which is the most vital stage.

That is the segment that will protect the area from flooding of the Platte River.

As you recall, the Platte flooded in 1978 and did extensive damage, threatened Interstate 29, a main north-south route.

We urgently urge your continued support for our project. We appreciated it very much in the past.

Mr. LINCOLN. My name is Dean Lincoln. I am testifying in support of 611–614 sponsored by the levee district. I live on a farm. I was born and raised on this farm. My two sons and I farm nearly 3,000 acres of this fine land.

Thanks to your support, L 611–614 is under construction, being built in three phases. This last phase is the most important. This is where the Platte River runs into the Missouri River.

The cost to each of us is approximately $56 per acre. It will be tragic if construction is halted, delayed when the levee is so close to completion.

We urgently request your committee to approve continued funding of L 611–614.

Mr. EATON. May we make a matter of record our prepared statement.

Senator BURDICK. Without objection, so ordered.

[The statement follows:]

STATEMENT OF DEAN LINCOLN, M&P MISSOURI RIVER LEVEE DISTRICT

We are pleased to report that levee unit L611–614 is under construction. The upper one-third of the project consisting of 4.1 miles of main river levees extending from Highway 370 to the Iowa Power & Light Co. ash ponds and 9.7 miles of the tieback levees on upper Pony Creek and its tributary has been completed and approved as stage I. It connects with existing levee unit L624 on the north.

The second stage has been under construction since June 1981 and is scheduled for completion by October 1, 1982, although it is expected to be completed by July 1, 1982. The segment presently under costruction includes 6.5 miles of river levees extending south from Highway 370 to station 594.6 on the Jack Cowardin property near the confluence of the Missouri River with the Platte River.

The third stage of costruction will include 7 miles of river levee from station 594.6 south to station 587.6 and will tie into the Watkins Ditch levee, a part of unit L601. The area which will be protected by this segment of levee is the lowest in elevation and most vulnerable to flooding. It was the Platte River which, as recently as 1978, breached levees on the Cowardin farm and flooded several thousand acres of farmland, seriously endangering Interstate Highway 29.

The President's budget for fiscal year 1983 includes $1,872,000 to unit L611–614. The district engineer has advised that these funds will provide the Corps with the capability of continuing construction of the stage III contract. Funds available for the current fiscal year will permit the Corps to advertise and award a contract for stage III. I am informed that the district would like to award a contract in May and start construction this June. It must be emphasized that the funds included in the fiscal year 1983 budget are absolutely essential if construction on stage III is to continue. Furthermore, approximately $1,725,000 will be required after 1983 complete levee construction.

The local sponsor, M & P Missouri River Levee District, which I represent, has purchased the necessary right-of-way for the entire project and issued warrants in excess of $1.5 million bearing interest at 10 percent per annum to pay for right-of-way acquisition, landowner damages, and expenses incident to establishment of the district. Landowners have been assessed approximately $56 per acre to cover these costs. It would be tragic if they were to be denied the flood protection sought, urgently needed, and for which they are currently paying.

Once again, we express our appreciation for your past commitment to and support of L611-614. With your continued support, this project will be completed.

Thank you.

SMITHVILLE LAKE, MO.

STATEMENT OF EDWARD BAUMAN, PRESIDING JUDGE, CLAY COUNTY, MO.

Mr. BAUMAN. Ed Bauman, presiding judge of Clay County, Mo.

About 17 years ago, our association came to this committee to request funding for the Smithville Lake project. For the past 12 years, I, myself, have testified before this committee. Every time and every year this committee has given favorable response to our request. Consequently, the Smithville Lake is completed and will be opened in May of this year. I come this time not to ask for funds, but to thank you personally for all your efforts and consideration you gave us in the past.

The development of this lake is something to be proud of. Clay County Court has obligated $14 million of taxpayer funds to help share the cost of the recreation facilities around this lake. I filed a written statement.

Senator BURDICK. It will be included in the record.

[The statement follows:]

STATEMENT OF EDWARD J. BAUMAN, PRESIDING JUDGE, CLAY COUNTY, MO.

The work of the U.S. Army Corps of Engineers in constructing the Smithville Reservoir in Clay and Clinton Counties in Missouri is nearing completion. This project has already made a major impact upon flood problems which historically have been caused by the Little Platte River. The $90 million in public funds already expended on the project will have a lasting impact upon downstream communities and, equally important, will shortly provide an important recreational facility for people throughout the Midwest.

Within 30 days, Clay County will be opening major park and recreational facilities at the Smithville Reservoir. We project that upward of 1.5 million persons a year will take advantage of these facilities.

As presiding judge of Clay County, I would like to express to this committee and to the U.S. Congress the gratitude of the citizens of Clay County for past support for the Smithville Lake project. The interest and concern of many have made this project and this facility possible. It is an outstanding example of Federal/local partnership in recreational development. Our county, Clay County, is leasing almost 5,000 acres of land adjacent to the reservoir and will pay back almost $14 million to the Corps of Engineers over the next 50 years for the recreational improvements constructed on these lands. The county has assumed the responsibility for operating and maintaining these facilities during this period. This is an exciting and unique opportunity.

Although no additional construction funds are required for this project this year, I would again like to express Clay County's appreciation for past appropriation. Should additional work be required in the future, I fully expect that we can look forward to similar consideration and support.

STATEMENT OF ROBERT NEIS, COMMISSIONER, DOUGLAS COUNTY, KANS.

Mr. NEIS. I am Robert Neis, Douglas County, landowner. I am concerned about the Kansas River. We have serious erosion along the Kansas River since we now have our three reservoirs completed.

This is one thing we cannot wait on any longer, because our farmers are losing acres of ground. One neighbor has lost 300 acres, one has lost 80 acres, one of them has lost 30 acres, and it has been doing this for the past 15 years since they regulate the water coming out of the reservoirs and the water is regulated 3 months at a time, half bank full, which is causing serious erosion, and I would like to have my comments and my other concerns that I have written go on record.

Senator BURDICK. Without objection, it will be received.

[The statement follows:]

STATEMENT OF ROBERT NEIS, COMMISSIONER, DOUGLAS COUNTY, KANS.

I would like to bring before you my concern for the preservation of one of our most valuable natural resources—our fertile soil. With worldwide population growth bringing increased demand for food, we must protect American farmland to continue to supply the needs of ourselves and others.

Our land is a depletable resource; we cannot make more or develop a substitute. We must take better care of the land we now have. The farmland bordering our rivers is the most fertile in America. I am personally concerned with the Kaw River Valley land.

The several large dams built on the Kaw River have served to protect this area from the occasional ravages of floods. They have, however, created another problem. Water from the lakes is regulated to flow in the river at half-bank full for periods as long as 3 months. This high level and the increased speed of the water are causing continuous, severe bank erosion which has proved more disastrous than periodic flooding.

I have lived on the Kaw River since 1923 and have seen more damage to the river banks and adjoining lands in the last 15 years than in all previous years. In the area between Lawrence and Eudora, Kans. (a distance of about 7 miles), my neighbors have lost hundreds of acres. For example: The Altenbernd family, 30 acres; Robert Lothholz, 80 acres; and the Schaake farm lost 300 acres. This ground is valued at $2,000 to $3,000 per acre.

The Kaw River Valley needs bank stabilization now. Soil conservation programs provide remedial measures for farm areas where there is slow erosion controllable by terraces and waterways. These programs ignore bank erosion where land may drop away an acre at a time.

Environmentalists make headlines with their concern for some endangered species of fish or fowl. I am concerned with the Kaw River Valley farm becoming an endangered species.

The big dams and their impounded waters have benefited neighboring cities by providing necessary water and flood protection. They offer recreation for thousands. The farmers in the area should share in the benefits, not be penalized for them.

I hope that you will share my concern for these productive farmlands and recognize the immediate need for securing bank protection for the Kaw River Valley.

ONAGA LAKE, KANS.

STATEMENT OF JACK ALEXANDER, WATER COMMISSIONER, TOPEKA, KANS.

Mr. ALEXANDER. Mr. Chairman, Jack Alexander, city water commissioner for the city of Topeka, Kans.

I have two things here. I will make them very brief. I want to insure that the statement of the Honorable John Carlin, Governor of the State of Kansas, of which you have copies, is filed. Also, for the 170,000 people that I represent as a public elected official, we are seriously concerned at some of the new things that are happening.

One, in fact, the Congressman from our district is proposing the deletion of a reservoir from our system. We would be fortunate enough if that should happen that that would be the second one deleted. Unfortunately, there are two studies that are ongoing and our position is they should be finalized. At that point, if at that point in time, the deletion would occur, fine, we would accept that.

We would like to see those studies completed.

The other thing, I would like to thank you on behalf of the State of Kansas for all that you have done. Fortunately we are not like the folks from Indiana or Kentucky we have already heard this morning. We have not had any great flooding in the State of Kansas. And the benefit-cost ratio has worked out very nicely.

I thank you.

[The statement follows:]

STATEMENT OF JACK ALEXANDER, WATER COMMISSIONER, TOPEKA, KANS.

I want to thank you for this opportunity to express the needs of my area for water conservation and flood control projects. We trust that the President, after personally viewing the recent destruction in Indiana and neighboring States, will recognize that the development of flood control projects is vital to the well-being of our area.

Flood control goes hand in hand with water conservation. I hope to impress upon you, as representatives of the legislative branch of the Federal Government, the earnest need for more projects and better planning in flood control and water conservation. The threat of water shortages or the possibility of facing the hazards of natural disasters are situations we must be prepared for.

The past appropriations of Congress have been put to excellent use. Many of the projects implemented with these appropriations have prevented total devastation during the occurrence of floods.

In my request that the Corps' recommendation be met, it is my hope that plans for Onaga Lake, to be located northwest of Topeka, will not be abandoned. The impact of such an action could be substantial when this area's growing needs for water are taken into consideration.

I hope that you will continue to see flood control and water conservation as high-priority items. The benefits derived from your past appropriations far outweigh the costs.

I offer my support of other needed Mo-Ark flood conservation projects brought here by other areas of our associations as well as any recommended in the area that I represent.

Thank you.

STATEMENT OF LEW PARAMORE, PRESIDENT, NORTH TOPEKA DRAINAGE BOARD

Mr. PARAMORE. I am Lew Paramore. For 30 years I have been president of the North Topeka Drainage Board. I have been coming back with this group for approximately 30 years. I, too, wish to express my appreciation for the support we have received from this committee over the years. I would like to be made a part of the record a summary and breakdown of all the projects in the Kansas City district of the Corps for which you have appropriated funds in the past, what their cost was, which is $1.2 billion, and benefits as of this year. The benefits total $3.1 billion.

I would like to provide this information for the committee's use.

Senator BURDICK. It will be received and made part of the record.

[The information follows:]

Estimate of Cumulative Project Costs & Benefits K.C. Dist.

Phone: 374-3077 Lyle Marlatt

Summary of Project Costs thru FY 1981 (in $1,000)

Project Name	Project Costs			O & M Costs		
	Total Costs	Federal	Non-Federal	Total O & M	Federal	Non-Federal
	$	$	$	$	$	$
Lakes	1,129,590	1,129,590	0	101,656	101,656	0
Mo. R. Levee System	34,550	31,390	3,160	1,177	0	1,177
Local Protection	125,640	102,748	22,895	12,367	0	12,367
Total Costs	$ 1,289,780	$ 1,263,728	$ 26,055	$ 115,200	$ 101,656	$ 13,544

Summary of Project Benefits thru FY 1981 (in $1,000)

Project Name	Recreation	Water Supply	Water Quality	Power	Flood Control	Total Benefits
	$	$	$	$	$	$
Lakes	203,624	1,534	31,595	17,438	625,858	880,049
Mo. R. Levee System	0	0	0	0	50,864	50,864
Local Protection	0	0	0	0	2,241,564	2,241,564
Total Benefits	$ 203,624	$ 1,534	$ 31,595	$ 17,438	$ 2,918,286	$ 3,172,477

Flood control benefits not included above: (in $1,000)

Upper Mo. R. Lakes = $ 1,077,087

Bureau of Reclamation = $ 30,517

These tables contain costs & benefits attributable to Corps Projects in the KCD.

Project Name	Estimated Project Benefits thru FY 1981 (In $1,000)						
	Recreation	Water Supply	Water Quality	Power	Flood Control	Other	Total Benefits
	$	$	$	$	$	$	$
arlan Co.	20,233	0	0	0	13,402		33,635
ilford	20,291	0	0	0	83,659		103,950
ilson	8,660	0	0	0	4,413		13,073
anopolis	15,039	0	0	0	31,139		46,178
ttle Cr.	22,272	0	19,550	0	296,998		338,820
erry	20,291	0	0	0	133,163		153,454
inton	2,572	1,238	0	0	1,013		4,823
ithville	3,540	0	0	0	10,436		13,976
ng Branch	786	229	1,482	0	408		2,905
ttsburg	15,868	0	1,441	0	13,713		31,022
elvern	6,788	0	3,182	0	12,976		22,946
omona	15,875	67	5,940	0	18,305		40,187
tockton	17,922	0	0	17,300	2,021		37,243
mme de Terre	31,590	0	0	0	2,224		33,814
S. Truman	1,897	0	0	138	1,988		4,023
otal Lakes	$ 203,624	$ 1,534	$ 31,595	$ 17,438	$ 625,858	$	$ 880,049

Estimated Project Costs thru FY 1981 (in $1,000)

Project Name	Project Costs			O & M Costs		
	Total Costs	Federal	Non-Federal	Total O & M	Federal	Non-Federal
	$	$	$	$	$	$
Harlan Co.	47,705	47,705	0	10,950	10,950	0
Milford	49,103	49,103	0	9,186	9,186	0
Wilson	20,109	20,109	0	6,240	6,240	0
Kanopolis	12,538	12,538	0	7,262	7,262	0
Tuttle Cr.	80,377	80,377	0	9,455	9,455	0
Perry	49,040	49,040	0	8,827	8,827	0
Clinton	57,340	57,340	0	1,762	1,762	0
Smithville	86,100	86,100	0	993	993	0
Long Branch	23,100	23,100	0	671	671	0
Rathbun	27,127	27,127	0	7,216	7,216	0
Melvern	37,410	37,410	0	5,358	5,358	0
Pomona	13,997	13,997	0	7,789	7,789	0
Stockton	76,507	76,507	0	11,426	11,426	0
Pomme de Terre	17,097	17,097	0	9,489	9,459	0
H. S. Truman	532,000	532,000	0	5,012	5,012	0
Total Lake Costs	$ 1,129,590	$ 1,129,590	$ 0	$ 101,656	$ 101,656	$ 0

Estimated Project Costs & Benefits thru FY 1981 (in $1,000)

Project Name	Project Costs			O & M Costs			Benefits	
	Total Costs	Federal	Non-Federal	Total O & M	Federal	Non-Federal	Recreation	Flood Control
Mo. R. Levee System	$	$	$	$	$	$		$
R 513 - 512	2,223	1,939	284	106	0	106	None	4,127
R 500	439	408	31	103	0	103	"	855
L 497	1,926	1,734	192	72	0	72	"	3,276
L 488	1,553	1,497	56	114	0	114	"	4,916
R 482	1,170	1,081	89	110	0	110	"	2,657
L 476	1,617	1,520	97	114	0	114	"	3,228
R 471 - 460	3,915	3,482	433	50	0	50	"	4,770
L 455	4,742	4,270	472	61	0	61	"	4,486
L 448 - 443	2,920	2,740	180	114	0	114	"	11,625
R 440	1,652	1,567	85	110	0	110	"	3,268
L 408	6,403	5,683	720	36	0	36	"	2,828
L 400	1,183	1,073	110	89	0	89	"	2,696
R 351	3,521	3,222	299	58	0	58	"	2,092
Kimsey - Holley	1,286	1,174	112	40	0	40	"	No Record
Total MRLS	$ 34,550	$ 31,390	$ 3,160	$ 1,177	$ 0	$ 1,177	None	$ 50,864

Project Name	Estimated Project Costs & Benefits thru FY 1981 (in $1,000)							
	Project Costs			O & M Costs			Benefits	
	Total Costs	Federal	Non-Federal	Total O & M	Federal	Non-Federal	Recreation	Flood Control
Local Protection Projects	$	$	$	$	$	$		$
Kansas Citys	47,553	42,433	5,120	8,906	0	8,906	None	2,139,150
Topeka	31,558	21,175	10,383	1,573	0	1,573	..	67,505
Lawrence	10,520	8,390	2,130	358	0	358	..	4,086
Big Stranger Cr.	343	337	6	85	0	85	..	469
Stonehouse Cr.	349	247	102	34	0	34	..	30
Manhattan	2,754	2,489	265	191	0	191	..	3,229
Frankfort	1,395	1,271	124	75	0	75	..	112
Fairbury	747	727	20	9	0	9	..	280
Seward	134	127	7	25	0	25	..	2.009
Abilene	1,386	1,099	287	67	0	67	..	No Record
Salina	5,839	3,879	1,960	207	0	207	..	4,923
Barnard	161	128	33	8	0	8	..	216
Clyde	1,057	881	176	30	0	30	..	23
Bartley	128	118	10	29	0	29	..	19
Indianola	75	67	8	26	0	26	..	23
Atchison	4,365	4,100	265	26	0	26	..	No Record
Bedford	616	587	29	9	0	9	..	60
Chariton R. (1944 Act)	8,788	8,053	735	512	0	512	..	5,628
Ottawa	5.339	4.463	876	157	0	157	..	12,327
Osawatomie	2,385	2,037	348	24	0	24	..	1,375
New Haven	151	140	11	16	0	16	..	100
Total Local Protection	$125,640	$102,748	$22,895	$12,367	0	$12,367	None	2,241,564

ADDITIONAL PREPARED STATEMENTS

Mr. McPHERSON. Mr. Chairman, we have submitted additional statements regarding the Corps of Engineers' capability, the Truman Lake project, the additional request for recreation facilities which are not included in either the budget or the Corps of Engineers' capability.

We would appreciate having these made part of the record.

Senator BURDICK. That also will be received without objection.

Mr. McPherson, I want to thank you for coordinating this presentation. It takes a lot of hard work, but it is most helpful to the committee. Again, thank you for your interest and work.

[The statements follow:]

STATEMENT OF GOV. JOHN CARLIN OF KANSAS

Our State's enviable national reputation as a leader in water resources development is partly the result of federal funding that has been commensurate with needed projects and programs. We wholeheartedly concur with the current Administration's policy of waging war on the destructive forces of inflation. It is our hope, however, that federal fiscal constraints will not jeopardize the promise of a better life for future generations of Kansans.

Part of that assurance of a better life is the protection of life and property from floods which regularly ravage our state. First among our requests for consideration of adequate funding, are two flood protection projects - one at Great Bend, Kansas; the other at Halstead, Kansas. Just this past June, in Great Bend, I witnessed, first hand, the havoc and misery left behind in the wake of a disasterous flood that caused $40 million worth of damage. The proposed Corps of Engineers local protection project would have safely carried the rampaging flood water around the city and spared its residents this needless anguish. Contingent upon the City of Great Bend providing needed local assurances, we request this Subcommittee expedite this needed project.

Halstead, Kansas, is a small but thriving community about 25 miles north of Wichita. It has a documented legacy of recurrent floods, and without implementation of a Corps of Engineers local protection project, it too, will again fall victim to nature's excesses. The project and accompanying report have been referred to the appropriate Congressional committees, but, to date, we have no indication as to the status of this project. I request the Subcommittee give attention to this project and enlist your support for it.

Another part of that promise of a better life for future generations of Kansans, is that they will have an adequate and dependable supply of good quality water. This has been a long-standing goal of state government, and one which we have been striving to meet through a comprehensive and workable state water plan. The backbone of that plan is, of course, the marvelous system of multipurpose federal reservoirs that have literally changed the landscape of our state. To round out our state plan of reservoir development requires further study and planning by the Corps of Engineers on Fort Scott and Douglass reservoirs and by the Bureau of Reclamation on the Chikaskia Project. Timely completion of these studies is required so that we in state government, and the public, can more fully assess the impacts and benefits of these proposed projects.

The third and last part of our promise to Kansas' generations yet to come, is that we will work to conserve our invaluable soil and water resources. We are committed to soil and water stewardship, not only through tradition, but with a clear understanding of our role in helping to feed the world. Our watershed program is the key to insuring the continued productivity of Kansas' farmlands. Agriculture, as you know, is Kansas' number one industry. Public Law 566 funds have protected and brought millions of additional acres into increased productivity for the Kansas farmer, thereby helping to preserve the boundary of our fertile soils. Two watershed proposals from Kansas have been languishing in the Office of Management and Budget too long. I refer specifically to those of Elk Creek and Coal Creek. These projects will provide urgently-needed flood control and water supplies for the towns and rural water districts within their boundaries. I request you to demonstrate your faith in this grass roots program by urging the Office of Management and Budget to transmit these proposals on to the Congress so that these two projects can finally get underway.

While on the subject of the watershed program, I would like to briefly state our concern for the moratorium on new watershed construction. We feel this is a very unfair policy that Office of Management and Budget has adopted. Congressional approval of a watershed plan has historically been what the P.L. 566 program is all about. For Office of Management and Budget to essentially usurp this Congressional prerogative through administrative dictum is quite demoralizing for those who have labored so long and hard to get a plan and project approved. This latest action by Office of Management and Budget has created considerable consternation in at least three progressive Kansas watersheds - Wet Walnut, Dry Creek, and Middle Creek. The latter is of double concern for me because a major structure in the Middle Creek plan will be a much needed water supply source for the City of Louisburg.

Briefly, before closing, allow me to just touch on another aspect of the management of Kansas' water and related land resources, and that is the importance of continuing funding some of the major water studies currently in progress. These studies are being conducted by the Bureau of Reclamation and the Corps of Engineers. The Bureau has been studying the Solomon and Republican river basins in north-central Kansas in an effort to assess the best water management options; that is, how can the resources be managed to provide the most efficient use of the resource? At stake are two irrigation districts and the promise of increased efficiencies through conservation. The findings, when they are in, can be utilized by others, and add to our storehouse of knowledge in this exciting field of research.

Your support is urged for the continued funding of the Kansas and Osage Rivers General Survey Study which is being carried out on a cooperative basis with the Kansas Water Office. This study covers three separate areas of major concern to the state. The mineral intrusion portion of the study is a vital concern to the area as the control of salt sources is necessary to providing a satisfactory water supply to the downstream users on the Kansas River. Likewise, the Northeast Kansas Water Supply Study is essential to the proper development of the water resources of the state. This study will provide necessary data and information to evaluate the area's water needs, various alternatives to satisfy these needs, and mitigate the recurring drought conditions in nonurban areas. The third area is the Bank Stabilization and Dredging Study which is identifying the impacts of man-made changes on the river.

In closing, lat me again restate the concern I share with this Subcommittee for fiscal restraint and budgetary reform. Let me assure you that we have no intention of advocating a project or program requiring federal assistance that is not an absolute vital necessity to our socio-economic well-being. It is a no-frills approach. I hope that our requests here today will be seen in their true light--as an investment--not an expense. This investment returns, many times over, benefits to future generations. The projects we are asking youto consider are the ones that will continue to make our country and our state strong, reliable, and proud. They will make us proud of the bond between all people . . . and their government.

STATEMENT OF JOE W. STEPHENSON, MAYOR, EL DORADO, KANS.

The people of El Dorado, Kansas are grateful for the funding provided by the Congress for Lake El Dorado. Dam construction which began in the summer of 1975 was completed in June last year. The Lake is now fulfilling its flood protection function and soon will provide the community's municipal and industrial water needs.

Construction of the remaining items particularly public use facilities has fallen behind schedule. We urge the Congress to appropriate to the full Corps capability of $4,700,000 for construction and $258,000 for operations. The City of El Dorado also requests that $50,000 of this appropriation be allocated to study a west access to the Reservoir. To optimise use of the facility, we believe a west access is needed. In light of the need to hold the line on expenditures, an increase in the appropriation is not requested, only that $50,000 of the $4,700,000 request be allocated for this study.

The City of El Dorado, as well as the State of Kansas are partners in this project. The City has an agreement with the Secretary of the Army to guarantee repayment for the municipal water supply provided in this Reservoir, approximately 37% of the total cost of the project. The State of Kansas is sharing the cost of public use facilities with the Corps. We believe Lake El Dorado to be a fine example of the New Federalism program announced by President Reagan. The cost of this excellent project is being shared by the United States, State of Kansas and City of El Dorado. As a partner in this Lake, we urge your consideration in approving the appropriation as recommended in the budget.

STATEMENT OF MARCI FRANCISCO, MAYOR, LAWRENCE, KANS.

The City of Lawrence, Kansas, as well as members of the Kaw Basin Water Management Association, the Douglas County Kaw Drainage District, the Board of Douglas County Commissioners and the Lawrence Chamber of Commerce, all wish to express our appreciation to you for your past considerations toward our community.

Your actions have resulted in the completion and dedication of Clinton Lake in July of 1980. The City of Lawrence has completed a $7.5 million dollar water treatment facility to provide domestic and industrial water for our city, as well as the rural water districts adjacent to our city, and to the cities of Baldwin and Wellsville, located in Douglas County.

We know that we will not only have flood protection for our area, but we will also have the water supply to provide for the future of our city and to help us endure any drought condition in the future. The lake also provides a haven for wildlife and waterfowl, as well as a recreation area for many of the people in our city, as well as in the adjoining areas.

We have supported the capital investments in the future of our country and the completion of the projects in the Missouri River Basin is an investment in America.

We urge you to continue to study the Missouri River Basin and the Kansas River tributary to make certain that our state and our nation is getting full benefit from this water resource. We would urge your committee to make the capital investments requested to the best of your ability, recognizing the problems in the economy and the national budget.

The budget before you has $1,069,000 for fiscal 1983, to operate and maintain Clinton Lake. We support the recommended budget and urge your approval.

Statement of Glen F. Toalson, Mayor Pro-Tem, Osceola, Mo.

On behalf of the citizens of Osceola and the surrounding area, I wish to express appreciation for courtesies extended today and on previous occasions. Today marks my 23rd appearance in support of water resources; my 14th consecutive before your committee.

Recently, it came to our attention that the Corp's Civil Works Budget request did not include funds for construction or completion of public use recreation areas which were part of the Master Plan for Truman Lake. Our community is shocked by this lack of budgetary responsibility. We have been sold out because the term "recreation" has become a bad and distasteful word.

Gentlemen, we are well aware of the general state of the economy and we are in sympathy with your problems. However, the 1962 authorization by Congress of this project referred specifically to the recreation function which was integral to its intended use. Please refer to House Document 578 of 1962. These areas were planned to help offset the loss of revenue to our community resulting from land and citizenry displacement. Our city lost over 1/3 of its area, we lost 25% of our homes and about 25% of our businesses. We took this devastating blow and supported the project because of what it would do for America. We did this because we had faith in our government to keep its word to provide these areas in order that a new industry known as tourism could be developed and our severely damaged local economy could be restored.

We have waited 20 years and it appears we'll have to wait several more. You have it in your power to restore the necessary funds in the Corp's budget and thereby fulfill the obligation made by your former colleagues. With restoration of funds, our faith in our government will also be restored.

Statement of Gene DuVall, Marmaton River Flood Control and Conservation Association

As a result of droughts and floods over the past few years, it is apparent that the need for this reservoir is becoming even greater. Since the time the work began on the planning and engineering of this project, which is now completed, it was known that this reservoir would save a considerable amount of property each year through flood control. There were other important benefits such as downstream water flow control, improved fish and wildlife, recreational and economic benefits and the possibility of hydroelectric generation.

However, the people in the state of Kansas and Southwest Missouri have a more serious problem. Many cities and communities in the areas do not have an adequate supply of water for household and industrial use, let alone enough for future development. And more importantly, many of them are using water which does not meet the U.S. Public Health Service (1962) minimum health standards. This is borne out by geological surveys by the Universities of Kansas and Missouri.

Twelve cities have asked to be considered for rights to purchase water from this impoundment. The reservoir is included in the overall water plan for the state of Kansas.

This project at the present is fully funded to conclude the necessary reports and complete the feasibility study this fiscal year. When the Army Corps of Engineers completes the reports and presents the capability of construction, we trust that your committees will give full consideration of the construction start.

STATEMENT OF HELEN MACHNICKI, MAYOR PRO-TEM, CLINTON, MO.

Thank you for the opportunity to be present today as a representative of the Clinton, Missouri, City Council and business community on behalf of the Harry S. Truman Dam and Reservoir Project.

I wish to express the City of Clinton's concern and opposition to the proposed cost sharing policy for recreational facilities on this project. State and local governments are not financially able to provide the cost share required. We have lost many acres of land, agri-business and tax dollars to this lake, and we are unable to compensate for this loss without developed recreation areas for tourism and its related industries. The recreational facilities of this lake were promoted and promised to us when this project was begun. We therefore ask that you reconsider this policy and fund the recreational facilities of the Harry S. Truman Dam and Reservoir Project to the full capabilities of the Corps of Engineers.

We appreciate the thoughtfulness, consideration and generous support you have given us in the past, and would like to thank you for your continued interest in our future.

STATEMENT OF DAVID L. MILLS, IMMEDIATE PAST PRESIDENT, CLINTON (MO.) CHAMBER OF COMMERCE

As Past President of the Clinton Chamber of Commerce it is a priviledge to appear before this committee.

On behalf of some 450 businesses in Clinton it is our responsibility to further business growth in our area. The Harry S. Truman Dam & Reservoir Project is an excellent tool by which the Chamber could accomplish this goal. We must continue to provide new business opportunities to replace those agri-businesses that have gone by the wayside due to the 60,000 acres of Henry County land that has been taken out of production.

The Chamber of Commerce opened a new Tourist Center last year and we are, now, sending representatives to Boat & Travel Shows in the four State area. There is much interest in the Truman Dam & Reservoir. They want to know about the public use areas and where they can stay but we have been unable to answer their questions when less than 40% of the recreational area are now completed.

We had counted heavily on the completion of these public use areas to stimulate economic growth in our area. Now, we are told by Col. Gurnie C. Gunter that the Reagan Administration has proposed to construct only minimum facilities for public health and safety unless a non-Federal sponsor is willing to participate. After 18 years of work on the Truman Dam project this is the first we have heard about cost-sharing sponsors to complete the recreation areas.

It is very frustrating to us to have this sudden change in policy in regard to the Harry S. Truman Dam & Reservoir when we are so close to seeing this dream come true.

We would hope that you would reconsider the Administration's proposal for cost-sharing sponsors and move ahead to complete the recreational areas of the Truman Dam & Reservoir at your earliest convenience.

STATEMENT OF WILLARD C. PENCE, MAYOR, SMITHVILLE, MO.

I am submitting this statement on behalf of the Smithville Board of Aldermen, the 2,000 citizens of Smithville, Missouri, and myself. The 1981 construction on the Smithville Reservoir Project has brought it to near completion. As you are aware, the gates were closed in December, 1981.

In the fiscal year budget of 1983 we are asking for only operational and maintenance funding for the U.S. Army Corps of Engineers in the amount of $562,000. I urge you to approve and designate this amount in the Public Works Appropriation Bill for the 1983 fiscal year.

At this time we would like to thank everyone for their cooperation in making this project a reality. In the summer of 1981 we realized our first benefit. At that time Smithville had some water in town, but no flooding that caused any serious damage. For this we are eternally grateful for the Smithville Dam.

The citizens of Smithville and I thank you very much for your continued support and consideration.

STATEMENT OF JOAN KIRCHHOFER, EXECUTIVE DIRECTOR, CLINTON (MO.) CHAMBER OF COMMERCE

I was taught that patience is a virtue and things come to those who wait. That was a hard lesson to learn. Now, I am beginning to wonder if it applies to the world we live in, today.

It certainly doesn't apply to the Harry S. Truman Dam & Reservoir Project. In fact, quite the contrary! We, in our area, have been patient. In fact, for more than twenty years, we have been patient! This project has gone through various stages of starts, stops, and slow downs and now it seems that someone has pulled the plug entirely on recreational development. Authorized as a non-cost sharing project in 1962 and now, suddenly, in 1982 it is cost-sharing.

Where does that leave us? Apparently holding the bag! Just how are we to recoup our losses, now? For many years agricultural production was the mainstay for Henry County. In our county, alone, we have had over 60,000 acres taken out of production and another 31,000 plus acres with flowage easements. That's a fairly large slice of our economy, now under water!

We had hoped that we could recoup a portion of our losses through tourism. We have just begun gearing ourselves in that direction. This year our Chamber sent representatives to four different Boat & Travel Shows, working a total of twenty four days promoting Truman Lake. Having worked two of the shows, myself, I can tell you the interest in Truman is tremendous! But, the question is always the same, "When are the public use areas going to be complete?" Now, what do we tell them? "Maybe, never!"

Under the Administration's present policy, recreational development estimated to cost approximately $18,432,000 would be completed at 100 per cent Federal Cost. (This figure includes areas already completed or under contract.) The balance, estimated to cost about $33,767,000 would require non-Federal cost-sharing, plus operation & maintenance when completed. Frankly, ladies and gentlemen, there is no way under the sun that we could come up with that kind of money from a non-Federal Government entity. We simply do not have it and to complicate matters further the project is spread over a seven county area making it impossible to co-ordinate any such endeavor.

Physically, the Reservoir is complete. Economically and socially, the changes associated with the project have just begun.

We realize that every effort is being made to balance the Federal Budget but we request your support in restoring this project to it's 100 per cent Federal funding as promised in 1962 and further consideration of funding to to the Corps of Engineers Capabilities for Fiscal year 1983.

Statement of Patrick J. Reilly, City Administrator, Clinton, Mo.

As a representative of the City of Clinton, I wish to thank you for this opportunity to appear before you in regard to the funding for the Harry S. Truman Dam and Reservoir Project. On behalf of the City of Clinton, I hereby request that you consider the full amount of the Corps of Engineers capabilties and appropriate such funds in fiscal 1983.

The acquisition of agricultural land has had a significant impact on the local, agricultural-based economy. The Truman Dam and Reservoir Project has significantly changed the local economy and has necessitated that it become more dependent upon recreation-related activities. The eventual role the Truman Dam and Reservoir will play in this region's economy will be determined largely by the type of recreational facilities developed. Continued development of recreational facilities will increase further the value of Truman Dam and Reservoir within the region. If properly developed, Truman Dam and Reservoir would enhance the recreational opportunities and would generate publicity for the entire region, with spillover tourist effects for other lakes.

With or without recreational facilities, there will be users and visitors. The cost of such users and visitors are great, however, in terms of damage to nature, littering and other uncontrolled activities. Unless properly developed, users and visitors will cost not only the federal government but all levels of government. If properly developed, the recreational facilities will not only minimize costs but also beneficially impact upon the local economy.

I also wish to take this opportunity to express the City of Clinton's opposition to the proposed cost sharing policy for recreational facilities. We believe that the development of recreational facilities by the federal government was promised to us by the federal government. Such development was promoted as compensation for loss of agricultural land. To change this policy now when the project is so close to completion is capricious and unfair. Realistically, state and local government are not fiscally capable of providing the cost share required under the proposed policy. When analyzed the cost share policy simply means no further development of recreational facilities. It seems to the City that the direct and indirect costs of such a policy far exceed the costs of the development of necessary and prudent recreational facilities. Your reconsideration of this policy would be most appreciated.

Once again, thank you for your consideration.

STATEMENT OF JOHN O. MADGETT, EXECUTIVE VICE PRESIDENT, MID-WEST TERMINAL WAREHOUSE CO.

I am John Madgett, Execitive Vice President of Mid-West Terminal Warehouse Co. of Kansas City, Mo. Our company, a multi-modal operation working with rail, trucks and barges, operates the Port of Kansas City, Mo.

The Missouri River is vital to the transportation of commodities in our region. This fact is more evident this year than normal because of low farm prices and economic conditions. In addition, the Missouri River is beset with more than its share of problems. Last year low water supply forced the closing of the navigation season by three weeks. This year we face another short season.

Small and large scale water diversions out of the Missouri Basin upstream of Kansas City threaten the future of water transportation on the lower Missouri and the Mississippi River between St. Louis and the mouth of the Ohio River.

To maintain the necessary cooperation and balance of our basic transportation system I therefore request that this Committee favorably consider appropriating the full amount in the President's Budget of $10,834,000 for Fiscal Year 1983.

Thank you for your time and attention.

LETTER FROM THOMAS E. WOODS, MAYOR, BLUE SPRINGS, MO.

March 25, 1982

Public Works Subcommittee
  On Appropriations
Of the United States Senate
and the United States House
  Of Representatives

Honorable Committee Members:

On behalf of the Board of Aldermen for the City of Blue Springs, Missouri, I submit this letter of endorsement in full support of the funding for the Little Blue River Lakes Project. Our City officials feel that this project is vital to the economic and industrial development of this area. We respectfully request the Committee's favorable consideration of the appropriations that are needed in the fiscal year 1983 for this much-needed project.

Very truly yours,
CITY OF BLUE SPRINGS

Thomas E. Woods

Thomas E. Woods
Mayor

Statement of Maxine Kiefer, Vice Chairman, Osage-Sac Association of Missouri River Basin Association

As Vice-Chairman of Osage-Sac Association of the Missouri River Basin Association, I wish to express appreciation on behalf of this Association for your courtesy in hearing our plea for provision of funds necessary to construct and complete the public use recreation areas in the Truman Reservoir.

Our Association feels that it is imperative that a project as large as Truman Reservoir, and so near completion, should be delayed no further.

Our area is extremely lacking in industry and therefore, we depend on tourism for our main source of revenue. With the delay of construction on our proposed recreation areas, it is needless for me to say that we're hurting and hurting badly!

The loss of so many of our homes, businesses and farms has been very damaging to the state of our economy. We need something NOW in the way of revenue to compensate for this loss.

We have waited long enough. Please don't delay this funding any longer. It is to the government's benefit as well as our local area benefit to restore these necessary funds in the Corps budget, as was part of the original master plan.

By restoring allocated funds, our economy will improve and that, in turn provides revenue in Washington D. C.

Thanks for listening.

Joint Statement of David Williams, Presiding Judge, Benton County Court, and Gordon H. Drake, Mayor, Warsaw, Mc.

What is now known as The Harry S. Truman Dam and Reservoir was first authorized under the Flood Control Act of 1954 as the Kaysinger Bluff project and reauthorized in amended form under the Flood Control Act of 1962 at which time Recreation and Power were authorized to be added. Since that time it has been referred to as a multi-purpose project.

The existing public law at the time of authorization of this project, as we understand it, provided for total funding by the Federal Government for recreational areas and facilities as well as for the purpose of flood control, water conservation and hydro-electric power.

Virtual completion of the dam itself has begun to provide for flood control and water conservation and the hydro-electric plant also is nearing completion.

Recreation facilities (Public Use Areas) is the phase of the project which is farthest from completion and the ultimate completion of these facilities are being threatened because of an administrative change of policy and lack of funding for fiscal year 1983.

Inasmuch as the land for the Public Use Areas at the Truman Reservoir has been purchased and some of the facilities in these areas already constructed it would appear to be the responsibility of the Federal Government to continue funding of these recreational facilities. Completion of these facilities should in some measure offset the loss to the economy which Benton County has experienced the past several years with the displacement of virtually all agriculture in the the Reservoir area for which the Truman Project is directly responsible.

We, therefore, respectfully request that $2,200,000.00, which is the Corps of Engineers capability, be added to the proposed $9,800,000.00 budgeted for fiscal year 1983 to be used toward the completion of facilities in the Public Use Area already under construction.

STATEMENT OF WILLARD C. BECKER, SECRETARY-TREASURER, ATHERTON LEVEE DISTRICT, MISSOURI

LITTLE BLUE RIVER

I appreciate the opportunity to submit a statement in support of the plan of improvements for flood control and water resources for the Little Blue River in Jackson County, Missouri.

The work which has been completed to date by the Corps of Engineers to provide flood control to the valley has proven the merit of the total program. There yet remains two keystone projects of the total program, that is, the Longview and Blue Springs Reservoirs. It is these two reservoirs which have been designed to give protection to the lower reaches of the stream. The lower areas of the valley will be subjected to additional flood hazards because of more rapid run-off of waters in the upper areas of the valley, therefore it is vital that the Blue Springs and Longview Reservoirs be completed as rapidly as possible.

We of the Atherton Levee District located at the mouth of the Little Blue River are now in a precarious situation because our levee program was not designed to accommodate the more rapidly draining of flood waters in the upper reaches of the valley. We will not have adequate protection until the Blue Springs and Longview reservoirs are completed. We respectfully request that your Committee will find it possible to appropriate funds for these projects in the amount of $26,000,000.

MISSOURI RIVER LEVEE PROGRAM

I want to express appreciation for the privilege of submitting a statement in support of the Missouri River Levee Program. The many Levees which have been constructed have proven the tremendous merit of this program. There yet remain many thousands of acres of valuable lands which need protection from the ravages of flood waters. The programs which have been completed bear testimony of the tremendous benefits to our nations economy and environment.

I respectfully request that your committee will find it possible to continue to recommend appropriations to the Missouri River Levee program in the amount of $2,200,000 which is the capability of the Corps of Engineers.

STATEMENT OF E. LEE COMER, JR., MAYOR, INDEPENDENCE, MO.

Channel improvement and flood control on the Little Blue River in Jackson County, Missouri is of vital concern to the City of Independence.

I respectfully request that funding for channel improvements and flood control be considered and continued to the capabilities of the Corps of Engineers. Land which is suitable for industry in the corporate limits of Independence lies in the Little Blue River flood plane.

Your favorable consideration of this request for continued funding is kindly solicited.

STATEMENT OF RON MARKEL, PRESIDENT-ELECT, OSCEOLA AREA (MO.) CHAMBER OF COMMERCE

As President-Elect of the Osceola Area Chamber of Commerce, and on behalf of the merchants of our area, I want to thank you for the opportunity to appear before you today.

Our major concern today is the construction and completion of the proposed recreation and public use areas on Truman Lake. The plan of 1962 promised to develop these areas to offset the loss of revenue to our community and area due to the loss of considerable farm land, businesses, and 25% of our homes.

The area businesses are shocked to learn that the Corp's Civil Works Budget request has not included funds for completion of these public use areas, after years and years of promises. We feel we have suffered enough. We have watched our economy decline year by year while we wait for the original promises to come true. We are still waiting!

The only way of economic recovery for our area is the completion of the recreational areas. Only then can business and industry related to tourism be developed.

The Osceola Area Chamber of Commerce urges you to restore the funds to complete these projects.

STATEMENT OF SAM WILLIAMSON, EXECUTIVE VICE PRESIDENT, INDEPENDENCE (MO.) CHAMBER OF COMMERCE

The Chamber of Commerce of the City of Independence thank you for this opportunity to submit a statement in support of the funding of the Little Blue River flood control program.

This flood control program is a very important ingredient in the stability of our community. The progress to date has been observed with great appreciation by those of us who carry the concern of the communities welfare. The appropriation in question at this time is very critical in that it involves the construction of the Lakes. The function of the Lakes are very important as they regulate the rate at which water enters the channel of the river thus keeping the flow from exceeding its capacity.

We respectfully request that the funds be provided to the full capability of the Corps of Engineers for both the Channel improvements and the Lake construction.

CLARENCE CANNON DAM AND MARK TWAIN LAKE, MO.

PREPARED STATEMENT

Senator BURDICK. The subcommittee has received a statement from the Mark Twain Lake and Cannon Dam Area Development Association. We will make that a part of the record at this point.

[The statement follows:]

STATEMENT OF WARREN G. SEE, PRESIDENT, MARK TWAIN LAKE AND CANNON DAM AREA DEVELOPMENT ASSOCIATION

The Mark Twain Lake and Cannon Dam Area Development Association, the citizens group which exists for the purpose of representing the interests and concerns of people in Northeast Missouri, West-Central Illinois, and Southeast Iowa, is honored and privileged to submit this testimony to your committee relative to the Clarence Cannon Dam and Mark Twain Lake now nearing completion on the Salt River in Monroe and Ralls Counties, Missouri.

We earnestly request your support for adequate funds to insure the completion of this most important and vital project for our area. The Presidential Budget for FY83 carries $15.4 million for construction and $3.48 million for operation and maintenance.

We urge your consideration in funding of these full amounts for the following reasons:

1. To date $244,000,000 has been spent on this project and it is 89% complete. Any delay in funding the final stages of construction would only cause deterioration in the part already completed, and hence mean additional funds would be needed.

2. Hydro-electric power is needed to meet the demands within the area and would assist in curtailing ever rising utility costs by providing an economical source of power. This project will generate 62,000 K.V.A. power which will help to alleviate power supply problems. At the present time power house work is 96% complete and the generator contract is 31% complete.

3. Good clean water reserves are needed to provide the area with a high quality fresh water supply. This area, like many areas throughout the United States, is experiencing a severe drought forcing several water districts to curtail further expansion due to low water supplies. When this lake is filled, it will give a much needed source of water to communities and rural residents throughout the area by providing a reserve of 20,000 acre feet which will help provide the high quality fresh water supply needed.

Continued full funding without delay for an early completion date, we believe, is of utmost importance. We, therefore, urge you to continue your excellent support of this project as you have in the past so that it may be completed as scheduled and at a time when its benefits will be of inestimable value.

We are most grateful for your past support and for giving us the opportunity to submit this testimony to your committee.

UPPER MISSISSIPPI RIVER WATER RESOURCE PROJECTS

PREPARED STATEMENT

Senator **BURDICK**. And a statement submitted by the Upper Mississippi Flood Control Association will also be placed in the record, without objection.

[The statement follows:]

STATEMENT OF WILLIAM H. KLINGNER, PRESIDENT, UPPER MISSISSIPPI FLOOD CONTROL ASSOCIATION

A Summary of our Member Districts' requests and project status is as follows:

AUTHORIZED STUDIES

SURVEYS	BUDGETED	REQUESTED	REMARKS
1. Green Bay Levee and Drainage District No. 2, Iowa	0	$100,000	Continue Study
2. Muscatine Island Levee and Drainage District, Iowa	0	$125,000	Continue Study
3. Mississippi River Coon Rapids Dam to Ohio River, Illinois, Missouri, Iowa and Wisconsin (Projects Review)	$1,920,000	$1,920,000	See following discussion
PLANNING AND CONSTRUCTION PROJECTS			
4. Sny Island Levee and Drainage District, Illinois, Rectification of Damages by Seepage	0	$2,500,000	Under Review (See Comments)

Our Association is very much aware of the restraints placed upon the Army's Civil Works program consistent with the Administration's assessment of National priorities for Federal investments and the objectives of avoiding larger budget deficits and the serious adverse affects that Government borrowing is having on the National economy. Hence, we are somewhat reluctant to request funding for any project not included within the President's Budget. There are, however, two Survey Projects within our Association which require continuing study and which we would like to call to your attention.

1st. The Green Bay Levee and Drainage District No. 2 has been under study for some six years and is now at the Washington level for review.

The Chief of Engineers forwarded the report to the Office of the Secretary of the Army on 10 November 1981. The Interim Report is favorable and, hopefully, the review will soon be released by the Secretary of the Army.

As reported last year in our statement, many hours of effort have been spent by the Corps of Engineers, State and other Federal Agencies, as well as local interests in bringing this project to the planning stage. It would be a great waste to further delay the project. The Green Bay Levee and Drainage District has expressed a willingness to participate in Construction Costs in addition to the usual sponsor's right-of-way costs, etc.

2nd. The Muscatine Island Levee District and Muscatine Louisa County Drainage District No. 13 Project is being processed on the Washington level. The report has been reviewed by the Board of Engineers for Rivers and Harbors. The Rock Island District is preparing a supplement to the report in response to comments by the office of the Secretary of the Army. It is expected that the supplement will be completed this March or the first of April.

Our Association realizes that both districts require non-budgeted funds for FY83 if Studies are to continue. Both requests are within the capabilities of the Corps of Engineers to perform. The funding required is small.

It is realized that in order to stay within the total amount proposed for the Army's Civil Works program, offsetting reductions may be required in other projects. We humbly ask that an effort be made to ascertain if this can justifiably be accomplished.

3rd. The "Mississippi River Coon Rapids Dam to Ohio River - Projects Review" is included in the President's Budget in the amount of $1,920,000 for FY83. We urge your Honorable Committee to retain at least the budgeted amount. Several of our Member Districts are being reviewed under this study and it is hoped the work can be completed on schedule. We realize that funding to the full capability of the Corps of Engineers would advance the Hydropower Interim studies several months. We would support this if economically and politically feasible. Our greatest concern is keeping the Flood Control aspect of the Survey under "full steam ahead".

4th In the matter of the rectification of Seepage Damages in the Sny Island Levee Drainage District, funds are not included in the President's Budget for FY 83. We understand that the method of payment is under review and no capability has been expressed by the Corps of Engineers.

Our Association would like to again emphasize to your Honorable Committee that payment of agreed damages to the Sny Island Levee and Drainage District does not technically constitute a "Construction Start". We have been fearful that the Category "CONSTRUCTION" might be misleading to your Honorable Committee and Congress.

A very critical aspect of the Agreement is that a companion agreement between the Sny Island Levee and Drainage District and the landowners expires if payment is not tendered on or before December 31, 1982.

If payment cannot be made by that date, it is feared that new negotiations will be necessary and supplemental Court approval required. It will be an entirely new "ball game".

The requested amount of $2,500,000 is an escalated amount computed from the Corps of Engineers' expressed capabilities for FY82 in the amount of $2,190,000.

The Rivers and Harbors Acts of 1937, 1945 and 1958 provide the Authority for the payment requested.

Thanks for the courtesy of allowing our Association to make this statement.

STATEMENT OF BOARD OF COMMISSIONERS, SNY ISLAND LEVEE DRAINAGE DISTRICT, ILLINOIS

The Sny Island Levee Drainage District, New Canton, Illinois, lies in parts of Adams, Pike and Calhoun Counties, Illinois, adjacent to parts of three navigation pools of the Mississippi River, extending some 51 miles from River Mile 266 to 317. The District encompasses an area of more than 112,000 acres of Mississippi River flood plain with an upland watershed area of more than 350,000 acres. The area is mainly agricultural with six small towns located therein. The drainage and flood protection system consists of more than 155 miles of levees, 260 miles of drainage ditches and three pumping stations including 8 pumps with a total combined pumping capacity of 1,000,000 gallons per minute.

In the 1930's a series of locks and dams were constructed and put into operation in the Mississippi River by the United States Government under the jurisdiction of the U. S. Corps of Army Engineers, to provide a 9-foot minimum channel depth for navigation purposes. It was recognized that high ground water levels, generally called seep water or seepage, traceable to the navigation pools formed by the operation of the lock and dam system, would affect land productivity for agricultural crops as well as to increase the cost of operation of drainage districts adjacent to said navigation pools. The Rivers and Harbors Acts of 1937, 1945 and 1958 provide authority for the United States of America to rectify and/or pay public entities for damages traceable to the navigation system.

The River and Harbors Act of 1958 authorized damage settlements and payments to all drainage districts adjacent to pools 14, 16, 17, 18, 20, 21, 22, 23, 24,25 and 26 except the SNY ISLAND LEVEE DRAINAGE DISTRICT which would be reviewed and studied for seepage damages after a scheduled flood control project was completed and in operation. This flood control project was completed and became operational in 1967.

Accordingly, a seepage study was activated by the U. S. Corps of Engineers in January 1973. The study, in December 1974, concluded that there was in fact damage to agricultural land in the Sny District in an area adjacent to the navigation pool of Lock and Dam #22, and recommended that rectification be accomplished as intended by legislation. Various rectification plans were considered by the Corps of Engineers during the years 1975 through 1979 with an agreement finally consummated in early 1980 between the Corps of Engineers, the Sny District and the landowners of the land damaged by the navigation system. The settlement was basically a lump sum settlement in lieu of Government rectification, with an amount of $1,704,000 to be paid to the Sny District who in turn would pay the landowners of said damaged land an amount of $720,560. The Sny District would be obligated to reconstruct eight miles of drainage ditches and accept the seepage water for disposal that is traceable to the navigation system. The settlement figure of $1,704,000 was based on costs as of December 31, 1979 with actual payment to be adjusted for inflation as of the date of payment. The United States of America would require a release and indemnity agreement signed by the Sny Commissioners that would release and discharge the United States of America from any and all claims for damage from seepage, backwater and increased costs of drainage by the Sny District and to hold and save the United States of America free and harmless from any and all claims for damage from seepage, backwater and increased costs of drainage by the owners of the 1,600 acres of land involved adjacent to the Lock and Dam #22 navigation pool. The Commissioners in turn have accepted an agreement from the landowners involved in which they release and discharge the United States of America and the Sny District from any and all claims for damages traceable to the navigation system upon payment of the consideration referred to herein. The landowners' agreement with the Sny District expires if payment is not tendered on or before December 31, 1982. If said landowners would not agree to have their agreements extended beyond December 31, 1982 with the same settlement terms, it would cause the Sny District to reconsider their intention to release and indemnify the United States Government.

The agreements between all parties were not consummated in time to be considered in the President's budget for FY 1981 nor in the House of Representatives' appropriations. Efforts by Senator Percy with support from Senator Stevenson were successful in the Senate approving the appropriation for FY 1981; however, when the measure was again considered by the House-Senate conferees, it failed to be included in FY 1981 appropriations. Efforts to have the funding included in the budget as well as the House and Senate appropriations for FY 1982 also failed.

Colorado Water Resource Projects

PREPARED STATEMENTS OF SENATORS ARMSTRONG AND HART OF COLORADO

Senator Burdick. Before calling the Colorado witnesses, I want to say that Senators Armstrong and Hart had planned to be here. They have sent prepared statements which cover those items of particular interest to them and Colorado.

If there is no objection, their statements will be incorporated at this point.

[The statements follow:]

STATEMENT OF SENATOR WILLIAM L. ARMSTRONG OF COLORADO

MR. CHAIRMAN, I am grateful to the members of the Subcommittee on Energy and Water Development for this opportunity to appear and speak for a moment about the Administration's proposal for the water resources budget.

I should begin by saying this water budget is very good news for the country and particularly for the rapidly developing but very arid western states, whose continued prosperity is directly tied to the farsightedness of water conservation and storage planning. Colorado, for example, receives only 16.5 inches of precipitation in an average year. Much of this simply evaporates into the parched air and is never used, while much of the remainder is obligated by compacts to downstream states. An additional 2 million acre-feet of this, which Colorado is entitled to use, flows past our borders every year. Yet, a recent authoritative study by the Colorado Energy Research Institute projects that, by the year 2000, our state will need to store and use every gallon of water it is entitled to if we are to accomodate the rapid population increase that is projected to follow in the wake of energy resource development. Looked at another way, the 2 million acre-feet of scarce water that drains out of our state every 12 months can meet the needs of 2 million families -- and we're going to need every gallon of it and then some by the year 2000.

Colorado holds vast reserves of energy -- in the form of coal, oil, gas and particularly oil shale -- and the time has obviously come for them to be developed prudently. Water will be an important determinant of both the extent and the quality of that development. Mr. Chairman, our state is sure to play a leading role in reducing America's dangerous dependence on foreign oil. We will answer that call and we will meet that challenge but, as Coloradans, we will ensure that our particular needs are met and the quality of life we know and enjoy is preserved for present as well as future generations. Coloradans are not willing to see our beautiful state become some kind of energy colony for the rest of the country. And yet, that is exactly what will happen unless we undertake immediately a water conservation and storage program that will guarantee sufficient water to accomodate this enormous scope of development. This Subcommittee plays an absolutely crucial role in helping to formulate that program and I think you agree, Mr. Chairman, that the stakes are dangerously high for western states in general and in particular for energy-rich but water-poor states like Colorado.

And yet, year after year, this Subcommittee hears a parade of witnesses claiming that water projects don't pay their own way, that they are pork-barrel, wasteful, etc. The truth of the matter is that spending on water resource development is among the wisest investments the federel government has ever made. Western reclamation projects,to cite the example that is predominant in Colorado, have already returned more money to the federal treasury than they have taken out, and most of these will go on paying for decades. Since passage of the Reclamation Act of 1902, less than $10 billion has been appropriated for all existing reclamation projects in the 17 western states. In only 38 years of that period, from 1940 to 1978, they generated $25.6 billion in tax revenues. In 1978 alone, these projects generated $8.5 billion in private income and $1.7 billion in corporate profits, which in turn generated $1.1 billion in state and local taxes and $2.2 billion in federal taxes -- for a total economic production of $13.5 billion. All this in addition to the long-term repayment schedules for much of the initial investment in construction funding. Just in Colorado, there are roughly 871,000 acres of prime farmland irrigated by water from reclamation projects. Nationally, the figure is 10 million acres on 148,000 farms and in 1980 they produced 54.5 million tons of food, fiber and forage. This is enough to meet the annual food requirements and provide a richly diversified diet for 39 million people and has a gross crop value of $7.4 billion, about $1 billion of which was exported and helped to pay for what we imported from other countries. The direct economic benefits, which would not have accrued but for these reclamation projects, total $100 billion since 1902 -- ten times the original investment -- and these productive giants will be paying out for centuries.

A specific example of how these projects pay back federal funds is the Fryingpan-Arkansas project in southeastern Colorado. Last year the water conservancy district operating this project signed their repayment contract with the United States. This year, the water district will write checks to the federal government for approximately $2.2 million for water and water storage. These payments, which continue from year to year, are in addition to the revenues the federal government will receive from the sale of hydroelectric power generated by the project and from the additional taxes generated by increased agricultural production, business, and industrial development.

But despite the proven need and cost-effectiveness of water conservation and storage projects, recent years have been dry ones for this country and particularly for the West. The previous Administration was not willing to provide adequate funding for these critical needs, but the current Administration, whose four water policy-makers are themselves westerners, plainly has a more accurate understanding of the crucial role water plays in our way of life. This fact is dramatically demonstrated by the 23% increase in Bureau of Reclamation funding that the President has requested. I support that request. It recognizes that we have fallen many years behind schedule in developing the precious resource on which the fastest growing part of our country entirely depends. We still have a long way to go, but this is without a doubt a good beginning. In Colorado's particular case, the numbers are just as encouraging. The proposed FY'83 level for total water resource spending in our state is $195 million -- up 49% from $130 million in the current fiscal year.

This is, as I say, very good news. But this increase in funding comes at a time of great controversy about budget priorities and federal spending in general. I believe, Mr. Chairman, that the water resources investment this Administration wants to make in America's future can pass the keenest scrutiny of Members who are disturbed by the unprecedented levels of federal outlays. I am such a Member. A year ago, in this room, I testified in support of the Administration's proposal not to provide any money for new water construction starts. I felt such a position was necessary in order to demonstrate the seriousness of the fiscal mess Congress had gotten this country into over the past 30 years. Deficits remain an obvious and extremely serious concern and this is not the time, in my opinion, to embark on large, ambitious programs for spending scarce tax dollars.

In these circumstances, I think the Administration has arrived at a sound policy; it proposes to come forward soon with a supplementary budget request for no more than $48 million to begin construction activities on one or more new water projects. That amount is less than 1.5% of the total water resources budget. This seems to me a very moderate and responsible course. The Department of Interior is calling for $448 million in user fees -- a move that I support.

The Administration has also let it be known that some degree of front-end funding is expected before the federal government will participate in any new construction efforts. The intention seems to be that firm but fair bargains will be struck with the states -- a proposal that is hard to dissent from in these times of strict budgetary control. On the specific question of front-end funding, Mr. Chairman, I would just like to say that I have reservations about applying it as a federal requirement in every case. Such a mandatory requirement for already authorized projects, for example, would seem to be unfair. Nobody talked seriously about state front-end funding years ago when the Central Arizona Project started construction; that project will soon begin to store some of the one million acre-feet of water our state is entitled to under the Colorado River Compacts but does now now use -- this is largely due to the fact that Upper Basin states have had a harder time securing funding for our long-authorized projects. However, this concern about equity notwithstanding, I feel a state should be able to participate in front-end financing if it wishes to do so.

In connection with this question of new construction, I would like to draw the Committee's attention to two proposed Bureau of Reclamation projects in Colorado -- the Narrows Unit near Fort Morgan and the Animas-La Plata Project south of Durango. I know Members of the Subcommittee will be familiar with aspects of these projects, but I would just like to take a minute to list their principal benefits.

The Narrows will serve the agricultural and municipal water needs of 37,000 people in northeastern Colorado and will provide a recreational resource for 2 million people in Front Range population centers with an estimated 1.3 million visitor/days annually. Features to be constructed include: Narrows Dam and Reservoir, a fish hatchery and rearing unit, and several public-use recreational areas. The dam is designed to impound some of the 350,000 acre-feet of the South Plate River water Colorado is entitled to under an interstate compact, but which flows out of the state in an average year. The project has a favorable cost/benefit ratio even by the strict federal formulas that only consider direct and demonstrable benefits. For example, livestock production in the area is expected to increase an average of $17.2 million annually; also, control of flood flows would save an average of $836,000 each year. All this is in addition to substantial indirect benefits that would accrue in the way I was discussing earlier. Last year, this Subcommittee approved report language that directed the Bureau of Reclamation to re-allocate $500,000 of fiscal year 1982 monies, in an effort to resume the progress on Narrows that was suspended in 1977 after President Carter's controversial "hit list" of western water projects. That re-start is now under way and it is imperative, in my opinion, that this construction effort be aggressively pursued.

The Animas-La Plata will distribute 118,000 acre-feet of water annually to 70,000 acres of farmland in both Colorado and New Mexico. In addition, it will supply 80,000 acre-feet of water annually to several communities, including Durango and Farmington, for municipal and industrial use. Local Indian tribes will also benefit from this development, and the project will provide 3,600 surface acres of prime recreation water in a rapidly developing area of our state. The enhancement of fish and wildlife habitats is another important aspect of the Animas-La Plata design, including provision of one major big game habitat. This project also has a favorable cost/benefit ratio; in fact, the Bureau of Reclamation estimates that average annual benefits deriving from the Animas-La Plata will be in the vicinity of $30 million. This project is demonstrably one of the very best multiple-purpose water projects in the country, and I understand that it is still being actively considered by the Department of Interior for designation as a new start in the coming fiscal year. Whether or not it is eventually selected, I would like to commend it to you very strongly and urge that constuction get under way at the earliest possible time.

There are, of course, other water concerns in Colorado that may require the attention of this Subcommittee at some point, but today I wanted mainly to speak to the more general question of the cost-effectiveness of water resource development and, in particular, to the issue of funding for new construction.

In closing, Mr. Chairman, I would like to recall the theme emphasized so often by the most sucessful and popular of Colorado's governors. He said the only limit to Colorado's future is the availability of water, and he was absolutely right. That limitation applies generally to the West, which has been blessed with extraordinarily talented people, matchless climate and scenery, mineral wealth and other crucial resources. But our economic vitality and, indeed, the whole of our western way of life depend on water, the increasing scarcity of which is a source of mounting concern. Because of the essential link between western water development and western energy development, this scarcity has become a pressing national problem. The passage of this water resources budget is a critical step toward meeting that concern, and I would urge you to consider it favorably.

STATEMENT OF SENATOR GARY HART OF COLORADO

Mr. Chairman, I am pleased to appear before you for the seventh consecutive year to testify on behalf of appropriations for Colorado water projects.

First, let me commend to you the testimony of Mr. J. William McDonald, the Director of the Colorado Water Conservation Board. His testimony, on behalf of Governor Richard D. Lamm, the Colorado Department of Natural Resources, and the Water Conservation Board, is an excellent presentation of Colorado's needs and priorities for fiscal year 1983.

I also commend to your attention the testimony submitted for the hearing record by supporters of Dallas Creek, Dolores, Fryingpan-Arkansas, Narrows, Animas-La Plata, Dominguez, and Fountain Creek projects.

Before expressing my views on specific Colorado projects, I should outline the reasons why spending on water projects continues to be important even in a time of severe constraints on Federal spending. Simply put, additional water storage projects are vital if we are to meet important national goals, including our economic and energy goals. Evidence is mounting that a shortage of water supplies will be our greatest resource crisis by the end of this century. Unless we move now to build the necessary projects, we will not be able to meet the water needs of agriculture, energy and other industries, and our cities.

This is most true in Colorado and other arid states experiencing rapid growth.

Our highest priority in meeting our water needs is to maintain a reasonable construction program for the projects now underway. The Administration's request for the Colorado projects now under construction is adequate to accomplish this. I therefore support these spending levels:

- Dallas Creek, $38,829,000;
- Dolores, $45,714,000;
- Fryingpan-Arkansas, $12,707,000;
- Grand Valley salinity control project, $8,902,000;
- Paradox Valley salinity control project, $6,401,000; and
- Closed Basin, $4,798,000.

Although I support the Administration's request for the above projects, there are four additions the Subcommittee should make with respect to Colorado projects.

The two most important of these additions would be an increase in the amount requested for the Narrows, and the addition of a new appropriation for Animas-La Plata, to initiate construction on these projects during FY 1983.

I note with great pleasure that this Administration has indicated it will support funding of new construction starts, and has reserved a limited amount of money for that purpose. I have repeatedly urged both this Administration and its predecessor to end the ill-advised freeze on new starts which has now been in effect for several years.

Along with many other supporters of Western water development, however, I am disappointed the Administration has not yet indicated which specific projects it believes should be selected for construction starts. In the absence of that guidance, Congress should review the eligible projects and select some as new starts.

While a legitimate and persuasive case could be made for undertaking construction of several Colorado projects -- including some which were scheduled for construction until they were halted by the previous Administration's infamous "hit list" -- I join the Colorado state government in proposing the Narrows and Animas-La Plata for priority consideration.

The Subcommittee is well aware of the history of both of these projects.

Construction was already underway on the Narrows project when it fell victim to the 1978 hit list. I supported the project then, and I still support it today. Each year Colorado loses substantial amounts of water to which we have legal rights under interstate compacts. The Narrows would let Colorado use our remaining share of the South Platte for much-needed agriculture. The project should be built, without further delay.

Last year, the Congress earmarked $500,000 to resume work on the Narrows, and the Administration has requested the same amount for FY 1983. This amount would cover just such limited activities as amendments to the definite plan report, compliance with environmental statutes, and updating economic justifications. A far greater sum is necessary to get actual construction activities underway.

The other new start in Colorado should be Animas-La Plata. As I have testified in previous years, I have personally examined this project in detail, meeting with the local residents -- both project supporters and project opponents -- to discuss all issues associated with the project. That review convinced me the project is a sound one and should be built. It will supply needed water for agriculture and for several cities. In addition, it will supply water to the Ute Mountain Ute and Southern Ute Indian Tribes. This will make possible energy and other development on the Tribes' reservations and will resolve satisfactorily the Tribes' legitimate claims to an even greater quantity of water -- claims which otherwise will continue to cloud all other water rights on the La Plata River.

The Colorado state government and the project sponsors have requested $3.25 million for Animas-La Plata. I concur in that request.

As you know, Mr. Chairman, I have testified on behalf of both of these projects before, as have many Coloradans. This year, however, I am able to make a statement which may be more persuasive than all the previous testimony the Subcommittee has received on these projects. The Colorado state government is prepared to join the Federal government in paying the construction costs of building these two projects. Colorado has created a new Water Resources and Power Development Authority, which has been appropriated $30 million to assist in the construction of these two projects. There can be no stronger indication of our state's support for these projects.

The other two additions to the Administration's request are for planning for future projects. The Corps of Engineers should be allocated $250,000 for phase II advance engineering and design work for the Fountain Creek flood control project, to be constructed in the Pueblo area. Secondly, the Bureau of Reclamation should be allocated a sufficient sum to continue planning work on the Dominguez Reservoir project.

Mr. Chairman, other witnesses will speak in greater detail about these projects, but I would be pleased to provide any additional information which the Subcommittee desires.

I appreciate this opportunity to appear on behalf of Colorado's water needs.

COLORADO WATER RESOURCE DEVELOPMENT PROJECTS

STATEMENT OF WILLIAM McDONALD, DIRECTOR, COLORADO WATER CONSERVATION BOARD

ACCOMPANIED BY PAUL BELLHYMER, EXECUTIVE DIRECTOR, UPPER COLORADO RIVER COMMISSION

Senator BURDICK. Our next group, then, will be the Colorado State Department for Natural Resources, Mr. William McDonald, director, and Mr. Paul Bellhymer, executive director, Upper Colorado River Commission.

Mr. McDONALD. I am Bill McDonald, director of the Colorado Water Conservation Board.

We will, in the interest of time, combine two groups on the schedule which includes about a dozen statements.

I will be the only one speaking. I will also speak on behalf of the Upper Colorado River Commission. I have with me Mr. Paul Bellhymer, executive director of the river commission, which is an interstate compact created by the Upper Colorado River Basin States of Colorado, Wyoming, Utah, and New Mexico.

The written statement of Mr. Bellhymer has been submitted for the record and we would appreciate it be included. I would merely note the position of the commission supporting the funding recommended by the representatives for States.

You have heard from Governor Matheson. I will speak for Governor Lamm of Colorado, and other States have spoken through their departments of natural resources and engineers.

With respect to the statement of Colorado, as I have indicated, I have the honor of testifying on behalf of the Honorable Richard D. Lamm, Governor of Colorado, and on behalf of the Department of Natural Resources.

There are a number of statements which have been submitted to the staff, local proponents, to which I will address myself.

I will ask, without detailing those at this time, that they be submitted and included for the hearing record.

Senator BURDICK. Without objection, they will be included following your oral remarks.

INTRODUCTION OF SUPPORTING WITNESSES

Mr. McDONALD. I would like very much to very briefly introduce three gentlemen from Colorado representing a range of interest, all of whom have submitted statements. Two people to my left, Mr. John Porter from Montezuma Valley Irrigation Co. and Dolores Water Conservancy District.

My immediate left, Paul Fury, also from the Dolores Water Conservancy District, and to my right, Tommy Thompson, general manager of the Southeast Colorado Conservancy District.

I, too, have presented my written remarks to the staff and have asked that they be included on behalf of Governor Lamm.

Senator Burdick. Not only will your statement be made a part of the record, but all of the witnesses.

FUNDING RECOMMENDATIONS

Mr. McDonald. Thank you, Mr. Chairman.

The request of the State of Colorado is fourfold.

One, that the President's recommended budget be maintained as recommended with the following additions: A sum adequate to reinstate construction on the Narrows project, which is a Bureau of Reclamation project. They can use $3.25 million.

We would like a sum sufficient to complete a study with the Dominguez Reservoir project. And, $250,000 to continue planning with phase 2 advance engineering and design of the Fountain Creek flood control project, a project vital to the interest of the city of Pueblo.

Narrows Unit and Animas-La Plata Project, Colorado

My written statement details all of these matters. I would like to focus on one matter in that written statement in the interest of time. The Narrows project and Animas-La Plata project, both authorized by Congress, are meritorious reclamation projects of the Bureau of Reclamation.

They serve the interest of two States, Indian and non-Indian populations.

The matter of the Bureau of Reclamation projects and new construction starts brings us inevitably to front-end cost sharing which Governor Matheson has spoken to.

Colorado likewise speaks to that issue. I must say that we are not spontaneously enthusiastic about the matter of front-end cost sharing. We regard it, as the Governors have mentioned, as reneging to some extent on Federal commitments and obligations that were part of broad basin plans negotiated, crafted by the efforts of the States involved.

In the case of the Narrows project, we are part of the Pick Sloan-Missouri basin plan. In the case of the Animas-La Plata project, that project was to have been constructed concurrently, along with four others, with the first delivery of the Central Arizona project water.

We are cognizant, nonetheless, with the budgetary situation, and in light of that we would like to draw the attention of Congress to the fact Colorado is prepared to consider financial participation in the construction costs of those projects.

The Colorado General Assembly has authorized an entity known as the authority which is a political subdivision of the State of Colorado to consider participating in the financing of these two projects.

The State of Colorado has made available $30 million for this purpose. We stand ready with respect to State participation in front-end cost sharing. We want Congress to be aware of the fact we are prepared to consider such should Congress find that it is desirable to change the historical needs by which reclamation projects have been financed.

Mr. Chairman, I will not detail any further that which is in my written statement. We appreciate very much your time.

Senator HUDDLESTON [presiding]. Thank you, very much, gentlemen. We appreciate your testimony. We have all of the statements which we will make part of the record.

[The statements follow:]

STATEMENT OF J. WILLIAM MCDONALD, DIRECTOR, COLORADO WATER CONSERVATION BOARD

Introduction

I am J. William McDonald, Director and Secretary of the Colorado Water Conservation Board. I am testifying on behalf of the Honorable Richard D. Lamm, Governor of Colorado; Mr. D. Monte Pascoe, Executive Director of the Colorado Department of Natural Resources; and the Board itself, which is the state agency charged with the protection, conservation, and management of the water resources of the State of Colorado.

Summary of Requests

The State of Colorado urges Congress to maintain the funding levels included in the President's recommended budget for the Bureau of Reclamation and the Corps of Engineers. In addition to the President's recommended budget, we respectfully request that the FY 83 appropriations for the Bureau and the Corps include:

(1) a sum adequate to reinstate construction on the Narrows project and $3.25 million to initiate construction on the Animas-La Plata project,

(2) funding to continue planning on the proposed Dominguez Reservoir project, and

(3) $250,000 to continue with phase II advance engineering and design work on the proposed Fountain Creek flood control project at Pueblo.

We would also call to your attention the readiness of Colorado to consider financial participation in the cost of constructing the Narrows and Animas-La Plata projects. The Colorado General Assembly has made available $30 million for this purpose. We are anxious to resolve issues concerning front-end cost-sharing in order that Colorado might proceed to meet its vitally important water resource development needs.

Details of Request--Bureau of Reclamation (Water Development Projects)

For those items already included in the President's recommended budget, we urge that you maintain the funding levels requested. In particular, we support the requested funding for continuation of projects under construction (i.e., the Dallas Creek, Dolores, Fryingpan-Arkansas, Closed Basin and Uncompahgre projects). With the exceptions noted below, the President's recommended budget is adequate for the timely execution and continuation of reclamation programs in Colorado. We would caution, however, that any reductions in these budget requests, particularly for construction activities, would be detrimental to the water users of the State of Colorado and, in the instance of the Closed Basin project, to the interests of the states of New Mexico and Texas as well.

We take exception to the President's recommended budget insofar as it does not contain funding for construction on the Narrows and Animas-La Plata projects. We respectfully request that this committee include $500,000 of construction funds for the Narrows project and $3.25 million of construction funds for the Animas-La Plata project.

The Narrows project was authorized by Congress in 1970 and was in a construction status in 1977 when it was included on the Carter Administration's hit list. At that time, activity on the project was suspended even though property acquisition and final engineering and design work were under way. The Bureau has reprogrammed $500,000 to the project in FY 82 and the President's recommended budget includes $500,000 to complete pre-construction activities. Under the circumstances, it should be possible during FY 83 to reinstate selected construction activities, such as property acquisition, thereby expediting this long-delayed project. We respectfully request that an adequate sum be appropriated for this purpose.

With respect to the Animas-La Plata project, we respectfully urge Congress to include $3.25 million in the FY 83 budget to initiate construction. This is a joint Colorado-New Mexico project designed, among other things, to address many of the problems which confront the Indian reservations in the project area. In addition, the project holds the potential of helping to resolve Indian reserved rights claims. Other components of the project will serve non-Indian populations in Colorado and New Mexico with municipal water. Finally, project water would significantly strengthen the irrigated agricultural economy of southwestern Colorado.

We wish to draw to your attention the readiness of Colorado to consider financial participation in the cost of constructing the Narrows and Animas-La Plata projects. In this regard, the Colorado General Assembly has recently authorized the Colorado Water Resources and Power Development Authority, which is a political subdivision of the state, to consider participating in the financing of these two projects. The Development Authority has available to it $30 million for this purpose. We are most anxious to resolve the issues which have been raised by the Reagan Administration with respect to state participation in front-end cost-sharing. We want Congress to be aware of the fact that we are prepared to consider such should it be the desire of Congress to change the historical means by which reclamation projects are financed.

We also want Congress to be aware of the fact that Colorado's other four authorized projects--Fruitland-Mesa, San Miguel, Savery-Pot Hook, and West Divide--continue to have our support. Although we are not requesting funding for these projects in FY 83, we will be working with the Bureau of Reclamation in the year ahead to find ways to ready them for construction. This will include consideration of state participation in their financing should that appear desirable.

The second item with which we take exception is the failure of the President's recommended budget to include general investigation funding for continued planning on the proposed Dominguez Reservoir project. The draft feasibility study released in December, 1981, indicates that use of the reservoir as a municipal and industrial (M&I) water supply facility deserves further study. We respectfully request that sufficient monies be appropriated in FY 83 to enable the Bureau to complete an analysis of this potential project. As the state continues to evaluate this proposed project, we will keep you informed of our views.

Details of Request--Bureau of Reclamation (Colorado River Water Quality Improvement Program)

The seven states of the Colorado River Basin have endorsed a coordinated, basin-wide approach to the reduction of salinity in the Colorado River. The salinity control projects being studied, planned, and constructed by the Bureau of Reclamation are an integral component of the overall salinity control program.

We endorse the President's budget request for this program and invite the committee's attention to the importance of maintaining the funding levels which the President has recommended. In addition, we would call your attention to the detailed testimony submitted on behalf of the seven states in the name of the Colorado River Basin Salinity Control Forum, in which testimony we concur.

Details of Request--Corps of Engineers

The state believes that the sums contained in the President's recommended budget are, with the exception noted below, adequate for the timely execution and continuation of federal flood control programs in Colorado. We would caution, however, that any reduction in these budget requests would unnecessarily jeopardize the lives and properties of many thousands of Coloradans.

Especially important is the President's request for construction on the South Platte River channelization project below Chatfield Dam. Located in the heart of the Denver metropolitan area, this is a critical flood control project. It is imperative that construction be initiated in FY 83 and maintained on schedule thereafter.

The matter with which we take exception is the failure of the President's recommended budget to include $250,000 for phase II advance engineering and design work on the proposed Fountain Creek flood control project. The proposed project is vital to the well-being of the residents of Pueblo, Colorado. In order to continue with advance engineering and design work, we respectfully request that an earmarked appropriation be made for that purpose under the authority of the line item which is denoted as "Arkansas River and Tributaries above John Martin Dam, Colorado."

I appreciate the opportunity you have afforded me to impose upon your busy schedule today. The fact that Colorado and other states have had the opportunity to present a case before you should remind us all that the legislative processes of our government are still the best that have yet to be devised. We thank you for your time and courtesy.

STATEMENT OF GOV. ED HERSCHLER OF WYOMING

The functions and activities of the United States Bureau of Reclamation related to water development in the State of Wyoming continue to be of interest to the people of the State. Water Development is becoming increasingly important in Wyoming as our population grows and new industries move in. Although the impacts resulting from energy development have not been as severe statewide as once predicted, certain areas, such as the Overthrust Belt near Evanston, Wyoming,continue to be severely impacted by energy-related growth. Water is needed to help sustain this growth as well as growth occurring in other areas of the State as our economic base broadens.

During the 1982 Legislative Session, the Wyoming State Legislature embarked upon an ambitious water development program for the entire State. Twenty-nine water projects have been identified for study and possibly eventual construction. Among these projects are some, such as the Enlargement of Buffalo Bill Dam on the Shoshone River, that are prime candidates for State-Federal cost-sharing. We urge that funding for sutdy of these projects be continued because their potential benefits far outweigh their cost to both Wyoming and the Federal Government.

We also urge that funding be continued under the Construction Program of the Bureau of Reclamation for dam safety and irrigation system rehabilitation. The relatively minor cost of these programs is a small price to pay to protect the much larger investments made by the Federal Government, irrigators, and other water users in the past. Investment in the recreational and fish and wildlife facilities on the Seedskadee Participating Project of the Colorado River Storage Project under the Construction Program will benefit the surrounding energy boom area where additional recreational opportunities are needed.

The Garland Canal Power Project which is being funded through the Bureau of Reclamation's Loan Program is another project worthy of continued funding. Farmers on the Garland Canal are attempting to take advantage of the elevation drop along the canal to produce power during the irrigation season. Previously, the energy produced by the falling water was allowed to dissipate and be wasted for all practical purposes.

General Investigations conducted by the Bureau will be of increasing importance in the future as water demands grow. The pressures of increased demand are beginning to be felt even in the river basins which have the most abundant supplies. Information needs will grow as water demand increases and Bureau of Reclamation investigations are some of the prime sources of water resources information.

The State of Wyoming continues to support the reclamation program of the Bureau of Reclamation which has provided many benefits to Wyoming, the surrounding region, and the Nation as a whole. These benefits, provided as they are by a largely self-supporting program, make the reclamation program one of the most successful of all government programs.

Thank you, Mr. Chairman, for the opportunity to present this statement for the record.

STATEMENT OF COLORADO RIVER WATER CONSERVATION DISTRICT

By way of identification the Colorado River Water Conservation District (River District) was created by the Colorado Legislature in 1937 (Stat. 37-46-101, CRS 1973, as amended) to safeguard and apply to beneficial use the water resources of the Colorado River and its principle tributaries to which the State of Colorado is equitably entitled under the Colorado River Compact of 1922. This letter is to request appropriations for Fiscal Year 1983 sufficient to fund the President's budget request for Reclamation Projects in Colorado. This, of course, includes the continued construction of the Dallas Creek Project.

The December 1981 Dominguez Reservoir Draft Feasibility Study indicates that further, more detailed analysis will be valuable. We request the inclusion of funds sufficient for the Bureau of Reclamation to complete a feasibility level study of the Dominguez Reservoir Project as a Municipal and Industrial water supply.

This District further supports the continued investigation by the Bureau of Reclamation of the West Divide Project and is working with the West Divide Water Conservancy District, Bureau of Reclamation and the Colorado Water Conservation Board to determine the optimum utilization of project waters and asks the Committee's support for the optimum level of funding for continued work by the Bureau of Reclamation.

Thank you for the opportunity to comment.

STATEMENT OF JOHN MURPHY, CHAIRMAN, ANIMAS-LA PLATA WATER CONSERVANCY DISTRICT

I am John Murphy, 3-term member of the Durango City Council and the Chairman of the newly formed Animas-La Plata Water Conservancy District.

The Durango City Council has long been a supporter of the Animas-La Plata Project. A recent emphasis on economy resulted in the employment of Black and Veatch, consulting engineers from Denver, Colorado, to re-evaluate the advisability of the City's continued support. The engineers' conclusion was that the Animas-La Plata Project is economically viable for Durango, and because of attendant benefits throughout the county, recommended the City pursue its source of future water supply through the Project. The Council has signed a Letter of Intent to purchase 2,500 acre feet of municipal and industrial water from the Project.

There are two additional aspects of the Project the City cannot ignore. First, if the Southern Ute Indian Tribe prevails in its reserved water claims, then the City of Durango would be uncertain of an adequate water supply for 6 months per year. The Tribe has an agreed allocation under the Project, thus guaranteeing municipal water availability to Durango.

Additionally, the Project will have a strong beneficial effect on the economic mainstay of the local economy - the tourist. Ridge's Basin Reservoir located within 3 miles of city limits would provide recreation days of boating, swimming, fishing, water skiing, camping and hiking. This wide-scale water recreation opportunity in proximity to the City will undoubtedly draw even more destination oriented tourism, as well as providing long term recreation opportunities to the local populace.

The benefits to the City are immense and immediate; however, as President of the Board of Directors of the Animas-La Plata Water Conservancy District formed March 6, 1981, I can state that the area-wide benefits are just as significant. I was born and raised on what is known as the "Dry Side," the area designated for much of the Project irrigation waters.

The Dry Side is aptly named because the water supply furnished this area by the La Plata River for the irrigation needs is woefully insufficient to meet even a fraction of the needs of the total area.

This gamble on water has in recent years forced the sale of some ranches by owners forced to seek another way of life. Water from the Animas-La Plata Project will transform this semi-arid but highly productive land into productive and profitable farming which will produce an abundance of crops.

This stable agricultural economy, a goal of generations of Dry Siders, will be a great asset to this entire area. One thing almost everyone in our area understands is that if we don't apply our water to beneficial use, it is likely we will not have that opportunity later. The City of Durango has found the Animas-La Plata cost effective adding only a small amount to future water bills and assuring the city of adequate long-term water storage.

In conclusion, let me point out that the Animas-La Plata Project has many human elements which cannot be fit into any cost/benefit ratio. I can assure you construction of the Animas-La Plata Project will beneficially affect all residents of Durango. Allocation of funds for the start of construction on this important and long overdue project is a sound and essential investment. I urge your support.

STATEMENT OF ROBERT TAYLOR, PRESIDENT, LA PLATA (COLO.) WATER CONSERVANCY DISTRICT

I am Bob Taylor of La Plata County, Colorado. I am President of the La Plata Water Conservancy District, which was first organized in 1944. We are here today requesting that the Committee appropriate $3,250,000.00 for construction start on the Animas-La Plata Project. This Project authorized in 1968 will provide a major contribution to the agricultural, livestock, municipal, industrial and recreational economy of our area. It will also help to solve some of the problems of the Indian reservations in Colorado. I am proud of the fact that throughout the history of the Animas-La Plata Project we have received close cooperation and support of both the Southern Ute Indian Tribe and the Ute Mountain Ute Indian Tribe. Both of these Tribes have substantial amounts of land which would be served by the Animas-La Plata Project, as well as provide a large allocation of water for development of their coal resources. Both of these Tribes have been working to solve their water resource problems by negotiation rather than by litigation.

We in Southwestern Colorado believe that history is a good teacher and we need only to look to the results of the Pine River Water Reclamation Project, a joint Bureau of Reclamation - Bureau of Indian Affairs Project, which was constructed in the early 1940's and which provides an adequate water supply for both Indian and non-Indian, to see an example of what cooperation can do toward a resolution of these problems.

In my judgment, based on many years of farming, unless the Animas-La Plata Project is built, the farming and ranching, which has always been the mainstay of our part of the country, will be wiped out. The population increases will continue whether or not this Project is built and water shortages, which are chronic, will become critical even in what used to be times of plenty. My family works the land in the La Plata area. We are able to exist because of the excellent soil, but it has always been a gambler's sort of life because of the erratic weather and water supply. Unless we can moderate the erratic conditions with this water project, it will be impossible to realize the potential of this God given country.

Our country is under a great pressure from people seeking peace in a native sort of way of life, by owning, living on and working one's own land. In order to meet the pressures from both population and agricultural use, a constant water supply is a must. A balance can be achieved by a firm water supply supplied by the Animas-La Plata Project.

We are aware of the criticism and skepticism about the value of water resource development projects. It is my judgment that such opinions are based on a lack of knowledge and information about the true value of water projects to our nation. Unlike many other federally sponsored programs, western reclamation returns a large portion of its costs to the federal treasury. No other program provides so much for so many and not only returns much of the costs but also enhances the economies of the western states involved.

One criticism we face on this Project is high pumping costs. Let me point out that once the water is pumped up to the project area, then most of the Colorado irrigation will be by gravity pressure, so that the costs of on-farm pumping will be eliminated.

The Animas-La Plata Project will have significant and positive effects on local, regional and national economy. It will enable the United States to fulfill its commitments to the Indian tribes. It will make water available to the non-Indian population of Southwestern

Colorado for industrial, municipal, rural domestic use and will enable the farmers in our area and our children, and others who would like to farm, an opportunity to make a living on the land.

We are grateful for the support which the Animas-La Plata Project has received over the years. We trust that you will take note of the benefits and values of this project and will grant the $3,250,000.00 for a construction start.

JOINT STATEMENT OF LEONARD BURCH, CHAIRMAN, AND CHRIS BAKER, VICE CHAIRMAN, SOUTHERN UTE INDIAN TRIBAL COUNCIL

I am Leonard Burch, Chairman of the Southern Ute Indian Tribal Council. I have with me Chris Baker, Vice Chairman of my Tribe. It has been our privilege to appear before you many times on behalf of the Animas-La Plata Project. However, we are becoming weary. The beneficial aspects of the project are self-evident, and the fiscal year 1983 $3.25 million dollar request for construction funds appears to us to be long overdue.

The support of the Animas-La Plata Project involves all aspects of our community, namely Indians and non-Indians alike. The benefits to all of our interests are interrelated and mutually enhancing. While we do not speak to the municipal project water uses in Durango, Aztec, Farmington and Bloomfield or to the increased irrigation lands the Southern Ute Indian Tribe concurs in these goals. Rather, we will address the particular benefits of project water to our Tribe.

It is a stated goal of the United States to foster economic self-sufficiency among Indian tribes. The Southern Utes feel that construction of the Animas-La Plata Project is critical to the achievement of this goal and request $3.25 in construction start money for the Project in 1983.

Presently the Southern Ute Indian tribal members suffer from a higher rate of unemployment, illness and poverty than our neighbors. The Tribe requires a strong economic base to preserve our existence and to become an integral part of the economic community. (Vast coal reserves underlay our trust lands, as well as reservoirs of oil and gas. While we have approved limited development of these resources, it is important that tribal members are a functioning part of mineral development on the reservation. Only in this way can we provide jobs, training and ultimately skills to preserve both our economic and tribal status. The Animas-La Plata Project makes certain our ability to extract the valuable minerals within the reservation as well as securing tribal self sufficiency. These goals are basic to our well being, and our support of the Project continues to be 100%.

The Project also provides the Tribe with the opportunity to work within the community regarding water rights. We request a limited amount of water from the Project and agree to other's water consumption. Reserved water rights is an issue which could divide this area of Colorado. We feel that our individual strength is dependent on the community's health, and we are requesting only a specific portion of project water.

Your appropriation of construction monies for the Animas-La Plata Project will not only achieve your goal of development of good water storage projects, it will also result in energy development in an energy critical age and in the continuing integrity and tribal self development of the Southern Ute Indian Tribe.

STATEMENT OF FRED V. KROEGER, PRESIDENT, BOARD OF DIRECTORS, SOUTHWESTERN WATER CONSERVATION DISTRICT OF COLORADO

I am Fred Kroeger, Durango businessman, lifelong La Plata County resident and President of the Board of Directors of the Southwestern Water Conservation District. Some of you may remember me since this is my 20th trip to Washington on behalf of the worthwhile water projects in our district. I can assure you I will continue to return and talk to you until these projects are a reality.

Lest I seem ungrateful, let me thank you for your continuing support of the Dolores Project located on the eastern boundary adjoining Utah in the southern quadrant of Colorado. For fiscal year 1983, the administration is requesting construction funds in the amount of $46,000,000. Construction on the McPhee Dam and Great Cut Dike, the touchstone of the project, commenced in 1980 and is proceeding on schedule. You evidently concurred in our assessment of project benefits, and I only wish to add many of the benefits of the Dolores Project are also attendant in another project in our area - the Animas-La Plata Project.

The Animas-La Plata Project, like the Dolores Project, was authorized by the Colorado River Basin Act of September 30, 1968, (P.L. 90-537) as a participating project under the Colorado River Storage Act of April 11, 1956 (P.L. 84-485). This enabling legislation was predicated on a balance of projects between Upper and Lower Colorado River Basin states; unfortunately, the projects have not proceeded at a comparable rate and the lower basin projects are far ahead of the upper basin projects. The reality of the situation is that Colorado and her sister upper basin states are being forced to argue for projects which should already be in existence. The process is frustrating and humiliating, and forces congressional attention away from the intrinsic merits of the projects under scrutiny, therefore, I propose this committee evaluate the Animas-La Plata Project solely on its merits: I feel you must conclude it is more viable than any other project presented to you for allocation of construction start funds.

Consider as follows:

1. Planning is complete. The Final Environmental Statement was filed with the EPA in July 1980, and the Definite Plan Report was approved in August 1980.

2. The legal mechanism is in place to conduct repayment contract elections. The Animas-La Plata Water Conservancy District was formed March 6, 1981. Negotiations have been initiated for the repayment contracts.

3. The Project will solve the Indian reserved water rights claims. The Southern Ute and the Ute Mountain Ute Tribes have been unflagging in their support of this project. In addition, they have agreed to a sum certain of water as their allocated project share. The practical result, for example, is that the City of Durango will not have to live under the shadow of an uncertain municipal water supply, and will be guaranteed 1% of project waters for domestic and municipal users.

4. The project will bolster the agricultural economy while creating opportunities for energy development from the 10,000 acres of sporadically irrigated lands in Colorado and New Mexico. Upon project completion there will be 70,000 acres in production (61,000 in Colorado, 9,000 in New Mexico). Annual economic project benefit is an estimated 26 million dollars. Additionally, the potential for coal development appears almost unlimited. The Southern Ute Indian Tribe has strip mineable coal

reserves estimated from 116 million to 400 million tons, and the Ute Mountain Ute Tribal Reservations contains almost 39 million tons. Project waters have been allocated to allow for coal development.

5. Environmentally, the Animas-La Plata is most worthwhile. Traditionally, environmental concerns have undermined the viability of large water storage projects. While there are some negative impacts (ie killing of "trash fish" by reduced Animas River flow, loss of wildlife habitat, reduced density of non-game animals) the positive aspects far outweigh these. For example, recreational user days will increase by 300,000. Mitigation measures such as purchase of additional habitat will minimize negative impacts. The metamorphosis of the dry-side from a semi-arid region to a profitable and prolific agricultural community can only be viewed as beneficial.

6. Long range social impacts will contribute to the area's stability. Many youth whose family have been in the area for generations have been forced to leave La Plata County to seek employment. Increased and more stable economic activities will supply work in many areas and ought to enable our children and their progeny to enjoy and to contribute to the prosperity of our region.

The conclusion is inescapable, the Animas-La Plata Project involves all citizens in our area and safeguards the future for their families. Even during the time of troubles, the project was not placed on the "hit" list, and it has been recommended by the BIA and the Department of the Interior.

Committee members, I commend the Animas-La Plata Project to your careful scrutiny. Its construction will prove an unqualified asset, and construction start monies for fiscal year 1983 in the amount of $3.25 million will repay themselves over the years.

Finally, I wish to discuss the San Miguel Project located in San Miguel and Montrose counties. The purpose of the project is to regulate flows of the San Miguel River and its tributaries for irrigation, municipal and industrial use, fish and wildlife and recreation. Unfortunately, this project is truly a victim of inflation. While it was cost effective when proposed, and while the problems it would solve still remain, movement on the project is nonexistant. The Southwestern Water Conservation Board has carefully evaluated this project and feels that it is deserving of further action. It is shortsighted to ignore the positive aspects of this Project's features, and proper planning is needed to reorder and redesign project features. Project delay and the resultant cost increases are not the fault of project sponsors or the many taxpayers due to receive direct benefits from project construction. The Board urges Congress not to abandon the plans, dreams and hard work of these southwest Colorado residents.

It has been an honor to appear before you again. I am certain our reliance on your discernment and judgment has not been misplaced and we shall perservere together until these worthy projects become a reality.

STATEMENT OF CAROL L. HALVORSON, MAYOR, BLOOMFIELD, N. MEX.

Mr. Chairman and Members of the committee, my name is Carol L. Halvorson, I am Mayor of The City of Bloomfield, New Mexico. Our community hopes to obtain some of the Municipal and Industrial water which will be furnished by the Animas-La Plata Project.

Bloomfield and the surrounding area is experiencing accelerated population growth due to energy resource development and the nearby Navajo Indian Irrigation Project. We furnish treated water and three rural Domestic Water Associations that serve areas adjoining our City Limits. Plateau Oil Company, Thrifty-way Oil Company and Giant Refinery, incorporated each have oil refineries near our City. Gas Company of New Mexico and El Paso Natural Gas Company have gasoline plants which separate gasoline from pipeline gas and distribute the pipeline gas to costomers. The Navajo Indian Irrigation Project will have 40,000 acres under sprinkler irrigation this year.

All of this economic development is directly reflected in the population growth of Bloomfield and the area served by the adjoining rural water districts.

By the time the Animas-La Plata Project is built Bloomfield will be in dire need of additional water supplies and we look to the Animas-La Plata Project as the most logical source.

I hope that this committee will support a request of 3.25 million to start construction of the project in fiscal year 1983.

Mr. Chairman, I thank you for the opportunity to appear before this committee and present my statement.

STATEMENT OF F. F. (CHANO) MONTOYA, CHAIRMAN, LA PLATA (N. MEX.) WATER CONSERVANCY DISTRICT

I am Chano Montoya, Chairman of the New Mexico La Plata Water Conservancy District, resident of La Plata, New Mexico and landowner of lands to be benefited by the Animas-La Plata Project in both New Mexico and Colorado. There has been continuous interstate cooperation to get the Animas-La Plata Project built because it is so important to the development of our area.

One of the frustrations of living on the La Plata River is that it is often dry, and yet, in the spring run off, as in flash floods, the river washes out diversion dams and damages our irrigation ditches. Control of the river through the Animas-La Plata Project will save us countless hours of toil and frustration as well as the cost of replacing our improvements. While flood control is not the major feature of this project, it is an important by-product and should not be overlooked.

All of us along the La Plata River are looking forward to the time we will be able to irrigate with a known controllable water source. For example, the irrigation acreage in New Mexico alone will be 8,630 acres. This additional land under cultivation plus the municipal water supplies for the cities of Farmington, Bloomfield and Aztec should result in an extremely favorable impact on the local economy. The traditional economic base of agriculture will be enhanced, plus there will be enough water to sustain the development of natural resources in our area such as oil, gas and coal.

Since construction authorization in 1968, we have anticipated completion of the Animas-La Plata Project. It is important for the future of our area that this Project be started. We talk about the "cost" of water projects, but the "worth" of the Animas-La Plata is immeasureable in human terms. It will assist the Indians and non-Indians to achieve economic self-determination and will be a decided asset in an energy starved economy. Please do not forget us this year, the 3.25 million dollars in construction start money will be repaid many times over.

STATEMENT OF ART ISGAR, MEMBER, BOARD OF DIRECTORS, LA PLATA (COLO.) WATER CONSERVANCY DISTRICT

I am Art Isgar, member of the Board of Directors of the La Plata Water Conservancy District. As a rancher and farmer, I have lived on Fort Lewis Mesa for forty years and have helped with the planning of the Animas-La Plata Project all that time.

During my lifetime I have seen many Bureau of Reclamation projects completed and I have never seen one that wasn't a great benefit to the community in so many ways. Fishing and wildlife have benefited as well as farming, recreation and the general economy of the area.

The undependable water supply and income of the farmers on the "Dry Side" and the Fort Lewis Mesa area have made it necessary for them to hold jobs off the farm. An adequate water supply would enable them to be full-time farmers, thereby releasing many jobs to help ease the unemployment problem here. Farmers' sons would be able to plan a future with an adequate water supply to depend upon.

The water table is dropping and wells are becoming depleted in our "bread basket" area of the west. We must have a stable water supply to offset the loss of well waters in these areas. Our Governor and our Congressman and Senators all believe that we have an obligation to guard our water rights and to insure our future food supply, development of energy and all the other benefits resulting from this Project. The Animas-La Plata Project will release the mesa farmers from their obligation to supply New Mexico with up to 100 cfs of water under the Compact of 1924. They will receive their water under the Project for approximately 8,000 acres and those farmers who have land above the Project will again have the natural flow of the La Plata River. Domestic water will be furnished from this Project for the towns of Aztec, Farmington and Bloomfield, in New Mexico and in Colorado the City of Durango and all other small communities that lie below it.

The initial expense of pumping will be offset by the free gravity flow to the sprinklers and ditches witout further energy requirements. In 1968, when Wayne Aspinall was still our Congressman, we were promised that the Animas-La Plata construction would be concurrent with that of the Central Arizona Project. Now the Arizona Project is nearly completed and we are still waiting to begin the Animas-La Plata Project. Before it was emphasized on the federal level that "Front End" money should be required to come from the states that were serious about water projects, our Governor and State Legislature were setting aside funds for this purpose. Governor Lamm, being a very far-sighted person, sees that once the Central Arizona Project is completed we will have an even tougher battle holding our valuable water.

STATEMENT OF LOWER SOUTH PLATTE WATER CONSERVANCY DISTRICT

This testimony is submitted to verify the continued and growing support for the Narrows project. This district along with the Central Colorado District, local governing entities which have contracted with the United States to repay project costs, the State of Colorado, Congressman Hank Brown, Colorado Senators William Armstrong, and Gary Hart in exhibiting the need for this water storage project, and as well as our pledge of perseverance toward realization of a completed project.

We extend our thanks to you for including the directive to the Bureau to reprogram monies to Narrows uses as part of the FY-1982 appropriation bill report. That directive has proved to be very productive in that $500,000 was reprogramed, and is currently being utilized to update various project activities as directed by congressional language.

Part of that language directed the Bureau to make "appraisals". We believe the congressional intent of the language to be "parcels of land required for project purposes were to be appraised for the purpose of acquisition as soon as possible." Of coarse the "possibility" being contingent upon congressional appropriations for construction.

In light of the congressional statement and directive, and we believe the Bureau is prepared to move ahead with Narrows, as exhibited by the quick action of the Department of Interior in reprograming money following the enactment of the 1982 appropriations legislation; construction and therefore submit a request for construction funding. We propose that funding would be utilized primarily for land acquisition.

The people, citizens of this nation, who presently reside and own property within the take area, have for too long been subject to the project without having the money be available to sell and relocate.

Narrows was first authorized in 1944 and again in 1970. Following the signing of repayment contracts in 1976, land acquisition for the project began. The people who are to relocate began the search for new homes.

The Bureau received many requests for appraisals and sales proposals. People were making a valiant effort to make this change in their lives in an orderly fashion.

The unconceivable Carter hit list brought that orderly transition to an abrupt halt. But that is history, today is the beginning of a new year, a new opportunity.

Nearly forty years have past, that is a very long time to subject people to these governmental vacillations.

From a position of economic considerations, this is an opportune time to reinitiate land acquisition. The project will be well served, as well as providing economic advantages to the relocating familes. We would suggest that an appropriation for reinitiation of land acquisition should be included. A level which we believe appropriate is $10,000,000.

The Narrows project is a very worthwhile investment. Water storage on the South Platte is essential to the economic prosperity of the region. We urge this congress to move forward at this time, to allow the project and the people to move forward as well.

I appreciate the opportunity to submit this statement. In behalf of the Lower South Platte Water Conservancy District Directors, thank you for your consideration of our request.

JOINT STATEMENT OF TERRY KNIGHT, CHAIRMAN, AND ERNEST HOUSE AND HENRY JACKET, MEMBERS, UTE MOUNTAIN UTE INDIAN TRIBAL COUNCIL

I am Terry Knight, Chairman of the Ute Mountain Ute Indian Tribal Council, located in Towaoc, Colorado, in the southwest corner of the state, and I have with me Ernie House and Henry Jacket, members of the Tribal Council. I am here to request continued construction funds in the amount of $46 million for the Dolores Project, and construction start monies for the Animas-La Plata Project in the amount of $3,250,000. Both projects have a direct, positive impact upon our tribal lands and our tribal members.

The Dolores Project will supply much needed municipal water supply to Towaoc, home of the tribal headquarters. Most summers our water had to be trucked in, and the water situation created a clear danger to health of Towaoc residents.

Additionally, both projects will assist in our irrigation projects. Our Tribe has many acres of excellent soil, but without a consistent water supply, we are unable to make agriculture an economically feasible industry on the reservation. We anticipate using tribal members to raise tribal crops and livestock, so we can become economically independent, as well as contribute to the area economy.

The Dolores and Animas-La Plata Projects will make the Southwest corner of Colorado an integral part of a thriving state economy. We are honored to participate in these projects and to work with our neighbors to insure the future of all of our children.

The Indian people have always been respectful of the environment. However, we must harness the water to make the land fertile. This is the best use of our reservation lands, and we feel both projects are environmentally sound. Please continue funding for the construction of the Dolores Project and assist us in making the Animas-La Plata Project a reality.

STATEMENT OF PAUL L. BILLHYMER, EXECUTIVE DIRECTOR, UPPER COLORADO RIVER COMMISSION

I am Paul L. Billhymer, Executive Director of the Upper Colorado River Commission, Salt Lake City, Utah.

Mr. Chairman, the Upper Colorado River Commission is an interstate compact administrative agency created by the Upper Colorado River Basin Compact. The State members of the Upper Colorado River Commission are: Colorado, New Mexico, Utah, and Wyoming. The Commission has maintained an active participation in the development, utilization, and conservation of the water resources of the Colorado River Basin.

The member States of the Upper Colorado River Commission vigorously support a constructive and progressive water resources development program in the Upper Colorado River Basin for fiscal year 1983. Our interested water people appreciate the privilege of appearing before this subcommittee in support of appropriations of funds to continue the construction and operation of the Colorado River Storage Project and participating projects.

Summary of Specific Action Requested

Appropriations of funds recommended by the representatives of the States of Colorado, New Mexico, Utah, and Wyoming for the Colorado River Storage Project and participating projects.

Representatives of each of our member States will be presenting testimony to this subcommittee in support of specific appropriation requests that reflect the official position of each State with respect to the development of water resource projects and programs involving the Colorado River Storage Project and participating projects. Such specific requests will not be repeated here. The Commission supports the appropriation requests submitted by representatives of the member States with respect to water resource projects and programs involving the Colorado River Storage Project and participating projects.

The Upper Colorado River Commission supports the new construction starts requested by our member States because these programs are necessary to develop a water supply in areas of these States where there is a rapid development of oil, gas, and coal resources for the benefit of the national energy program. We urge the funding of a viable water resources development program in the Upper Colorado River Basin inasmuch as such projects are capital improvements which have national benefits.

Mr. Chairman, on behalf of the Upper Colorado River Commission, thank you for this opportunity to present this statement for the Committee's consideration.

STATEMENT OF CHARLES L. THOMSON, COLORADO CHAIRMAN, ARKANSAS RIVER BASIN INTERSTATE COMMITTEE

Mr. Chairman, and members of the Committee, my name is Charles L. Thomson, and I am General Manager of the Southeastern Colorado Water Conservancy District, headquartered in Pueblo, Colorado. I am honored to submit this Statement today in behalf of the other four members of the Colorado delegation who were appointed by our distinguished Governor, the Honorable Richard D. Lamm. My four colleagues are Mr. William McDonald, Director, Colorado Water Conservation Board; Mr. John E. Javernick, farmer and rancher from Canon City representing the Upper Arkansas Basin in Colorado; Mr. Lee Hancock, Superintendent, High Line Canal Company near Rocky Ford, a farmer representing the Lower Basin; and Mr. Raymond D. Nixon, retired Executive Director, Department of Public Utilities for the City of Colorado Springs, who represents the Municipal and Domestic water users in the Basin. We are truly honored to join our colleagues from the great States of Arkansas, Missouri, Oklahoma and Kansas in appearing before you today, and sincerely appreciate your affording us this time to testify as a single group in support of appropriations for necessary Water Programs and Projects throughout the entire reach of the Arkansas River, from its headwaters at an elevation of nearly 14,000 feet near Leadville, Colorado, to its confluence with the mighty Mississippi in Arkansas.

The 25 members of the Interstate Committee work very closely together to analyze necessary Water Projects in each of the five States, and through coordinated efforts agree on the Statement which will be presented by our Chairman, Mr. James Foster of Wichita, Kansas. We are of the opinion, Mr. Chairman, and members of the Committee, that the Interstate Committee truly epitomizes the type of Interstate cooperation which is so essentially necessary to the orderly development of Water Resource Programs which will benefit not only the citizens in the five States, but the entire Nation as well.

We from Colorado strongly recommend the approval of the $12.707 million requested by President Reagan for continued construction on the Fryingpan-Arkansas Project, along with the $1.715 million for operation and maintenance during the next Fiscal Year. The construction funds will permit continued construction on the Fountain Valley Pipeline, which will provide essential water to the rapidly growing Colorado Springs area, and also for continued work on the 200 megawatt Pumped-Back Storage Power Plant high in the Colorado Rockies. The first 100 megawatt Unit went on line in September, and the peaking power made available from this Plant will help greatly in meeting the peak demands throughout the service area. Officers of the Southeastern Colorado Water Conservancy District entered into a Final Repayment Contract with the United States on October 23, 1981, and beginning in April 1982, will make sizable payments to the United States for the reimbursable parts of the Project.

We also endorse the request by President Reagan for $350,000 for continued flood control studies on the Arkansas River above John Martin Dam in Colorado; $3.7 million for continued Dam Safety work at Trinidad Dam in Colorado, and $320,000 for flood control studies between Great Bend, Kansas and John Martin Dam. In addition, we recommend that the Congress of the United States authorize the appropriation of $250,000 for Phase II Planning of an essential Flood Control Program in the heart of the City of Pueblo. Phase I was begun immediately after the disasterous flood in 1965, and was completed in February of 1981. Agreement has been reached by all parties as to the necessary work, and copies of correspondence from Official entities in Pueblo accompany this Statement.

Our Committee also recommends the appropriation of $479,000 for operation and maintenance of Trinidad Dam and Reservoir as requested by the President of the United States, and we recommend that $1.244 million be appropriated for operation and maintenance of John Martin Reservoir, as compared to the $594,000 recommended by the Administration. The difference in the two amounts will permit the Corps of Engineers to make necessary improvements to the road system, and a Safety Program can be taken care of in the embankment of the Dam. John Martin Dam is used jointly by the States of Colorado and Kansas, and during 1980 and 1981, representatives from various Irrigation Companies and the members of the Interstate Compact Administration, worked out Cooperative Programs to better utilize the storage facilities at John Martin Reservoir. We would also urge the appropriation of an additional $200,000 to initiate a flood control study on Fountain Creek between Colorado Springs and Pueblo. This section of the River is prone to periodic flooding, and the study will provide essential information which local entities and the United States can use to determine ways to alleviate the expense of property damage and human suffering from such floods.

Mr. Chairman, and members of this distinguished Committee, we again want to thank each of you for the sincere and dedicated manner in which you have permitted those of us who must deal with Water Resource Management on a day to day basis to appear before you to present our recommendations regarding absolutely essential Water Resource Projects in the Arkansas River Basin. We firmly believe that investments made by the Congress in such Programs are truly one of the best investments the United States can make, and economic returns to the economy of our Nation and the World are many times more than the original investment. We do hope the Members of Congress will continue their strong support for such Water Programs, which will meet the needs which are growing each and every year.

STATEMENT OF JAMES D. CARTER, JR., CHAIRMAN, FOUNTAIN CREEK COMMISSION, PUEBLO, COLO.

Mr. Chairman, and members of this distinguished committee, the Fountain Creek Commission of the City of Pueblo, Colorado respectively requests that $250,000 be appropriated for Phase II Advanced Engineering and Design of an essential flood control project in the heart of the City of Pueblo, Colorado.

This project will necessitate the construction of levees and the clearing of the channel to provide much needed flood protection to residential areas of Pueblo and for much of the downtown core. To quote from the Corps of Engineers' report on the June 17, 1965 flooding of Fountain Creek: "Approximately 53 city blocks were inundated up to a depth of eight feet. City streets and utilities were washed out or clogged with debris; the Interstate freeway was blocked and severly damaged; segments of the main railroad line were washed out; and several industrial and government establishments were heavily damaged or destroyed. There were 370 residences and 59 businesses damaged, touching 417 Pueblo families." This flood in 1965 produced a peak flow of 47,000 cfs on the Fountain Creek. The One Hundred Year Flood is estimated at 64,000 cfs and the proposed Corps of Engineers' Flood Control Project would provide protection of at least 85,000 cfs.

This project is essential to prevent the recurrence of serious flooding and destruction in Pueblo. It will also provide for recreational facilities, bike and hiking trails, playgrounds and wildlife areas in the flood plain, while permitting decreed water to continue to flow unimpeded to downstream irrigators and users.

Phase I Planning has been completed by the Corps of Engineers and the Chief of Engineers has recently forwarded his report to the Secretary of the Army recommending that the project be authorized for construction. Although the project has not been authorized, the Corps has expressed the capability of proceeding with the Phase II Advanced Engineering and Design.

This project enjoys broad public support. The State of Colorado, the City of Pueblo, the Colorado Water Conservation Board, the Pueblo Board of County Commissioners, the Southeastern Colorado Water Conservancy District, the Arkansas River Basin Interstate Committee representing the states of Arkansas, Missouri, Kansas, Oklahoma and Colorado and other groups and local citizens have all expressed their support for the implementation of this project. Local funds in excess of $1,669,000 have already been spent on land acquisition, relocations, preliminary levees and recreational facilities. Considering this wide, public support and the substantial contribution that has already been made by the local area, we respectively request that the needed funds be added to the budget under the authority of the General Investigation Line Item entitled "Arkansas River and Tributaries above John Martin Reservoir, Colorado".

Mr. Chairman and members of the committee, we are mindful of the increasing need for federal and local participation and contribution to projects of this sort and we urge you to consider the contributions that have been made to date by the local sector. It is recognized that additional, local funding might be required for the completion of this project and this commission stands prepared to assist in obtaining whatever future local participation is required.

I thank you for your attention and consideration of this request.

STATEMENT OF GOV. BRUCE KING OF NEW MEXICO

SUMMARY

This statement is submitted in support of appropriations for the construction of water resource projects authorized to be built by the Bureau of Reclamation and the Corps of Engineers, for operation and maintenance of projects constructed by these agencies and for project investigations by these agencies.

In general, I support the President's fiscal year (FY) 1983 budget proposals for water resources. The President's FY 1983 budget does not include funds for the Animas-La Plata Project, Colorado-New Mexico. I urge that $3.25 million be included in the FY 1983 budget to initiate construction activities on this project. The Bureau of Reclamation has, in consultation with the states of Colorado and New Mexico and with local entities who would be the immediate beneficiaries of the project, selected a plan to regulate and deliver a water supply to the areas of use; all work on the environmental impact statement and the definite plan report has been completed. The Bureau has recently initiated discussions with the local entities on repayment contracts and none of these discussions has been unfavorable. The project is ready for construction in all respects and there is a great need for additional water in this area of the two states where oil, gas, uranium and coal development for energy is underway.

STATEMENT

BUREAU OF RECLAMATION

Colorado River Storage Project and Participating Projects

The Colorado River Storage Project Act, which became law in 1956, authorized a carefully planned and farsighted program for the development and use of waters of the Upper Colorado River Basin. To carry this program forward the President has recommended that $190,563,000 be appropriated to the Bureau of Reclamation for FY 1983. This proposal includes $200,000 for New Mexico's San Juan-Chama participating project to accomplish minor modifications of the Nambe Falls Dam outlet works, $2,594,000 for grouting at Navajo Dam and $100,000 for completion of construction of recreational facilities on the San Juan River below Navajo Dam. I support those recommendations.

The President's FY 1983 budget does not include funds for the Animas-La Plata Project in Colorado and New Mexico which was authorized in 1968 by P.L. 90-537. The Bureau of Reclamation has, in consultation with the States of Colorado and New Mexico and local entities who would be the immediate beneficiaries of the project, selected a plan to regulate and deliver a water supply to the areas of use; all the work on the final environmental impact statement and definite plan report has been completed. In FY 1982 the Bureau initiated discussions with the local entities on the terms and provisions of repayment contracts under which the local entities would repay their allocated share of the construction costs and annual operation and maintenance costs. The project is ready for construction in all respects and there is a great need for the additional water supply which will be made available by the project in this area of the states where oil, gas, uranium and coal development for energy is underway. I urge that at least $3.25 million be appropriated in FY 1983 in order that construction can be initiated and proceed in an orderly and economic manner.

I also urge that appropriations for units of the Colorado River Storage Project and Participating Projects in the other Upper Basin States be adequate for orderly project development at an economic rate.

Carlsbad Irrigation Project

The sum of $350,000 is proposed in the President's FY 1983 budget to continue the rehabilitation work on the laterals and sublaterals in the Carlsbad Irrigation Project distribution system. The work, which will be done by the Carlsbad Irrigation District under the Rehabilitation and Betterment Act, will conserve water in the District. I support this proposal.

Brantley Dam and Reservoir

The President's FY 1983 budget includes $4.0 million for construction on the Brantley Dam and Reservoir Project in the Pecos River Basin. The Brantley Project was authorized for construction by P.L. 92-514 in 1972. The basic purpose of the project is the protection of life and property in the vicinity of the city of Carlsbad. The Brantley Dam would replace the unsafe McMillan Dam which was reconstructed by the U. S. Reclamation Service in 1908 and would provide additional capacity for the storage of flood waters. One percent of the project cost is allocated to irrigation, five percent of the cost is allocated to recreation and fish and wildlife purposes and two percent of the cost is allocated to highway relocation; the balance of the cost is allocated to safety of structures and flood and sediment control. The work proposed for FY 1983 would include acquisition of lands and rights-of-way; final design of the dam; contract award for relocation of the AT&SF Railroad; construction of a warehouse, shop building and caretaker's residence; acquisition of lands and water rights for fish and wildlife mitigation facilities and other miscellaneous items. I support the President's budget proposal for this urgently needed project.

Central Arizona Project

The Colorado River Basin Project Act, P.L. 90-537 enacted in 1968, authorized construction of the Central Arizona Project in Arizona and New Mexico. The President's FY 1983 budget proposes $160,990,000 to continue construction of this project. The Hooker Dam and Reservoir, or suitable alternative, in southwestern New Mexico is authorized for construction as a unit of the Central Arizona Project. The President's proposed budget includes $821,000 to continue Stage II Studies on this unit. I fully support the President's budget proposal for funding the Central Arizona Project.

Colorado River Basin Salinity Control Project-P.L. 93-320, Title I

The President's FY 1983 budget includes a total of $44,329,000 for continued construction on the Yuma Desalting Plant and related facilities. I fully support the President's budget proposal for this program.

Colorado River Water Quality Improvement Program

The President's FY 1983 budget includes $16,276,000 for advanced planning and construction of three salinity alleviation units authorized by Title II of P.L. 93-320: the Grand Valley, Paradox Valley and Las Vegas Wash units. I fully support the President's budget proposal for this program.

The President's FY 1983 budget includes $300,000 for advanced planning of additional units that would improve the water quality of the Colorado River. The salinity concentrations in the Lower Colorado River are approaching serious levels for municipal, industrial, and agricultural use. The construction of presently authorized water development projects and planned private water development will cause further increase in salinity concentration in the Colorado River. Completion of advanced planning and subsequent construction of the units proposed for advance planning, coupled with completion of construction of the three units under Title II of P.L. 93-320, will provide the most cost-effective solution to meeting the near-term project salt loading reductions necessary to maintain water quality levels in the Colorado River, while allowing the basin states to develop their compact apportioned waters. I fully support the President's proposed budget for advanced planning of the Lower Gunnison Basin, McElmo Creek, Palo Verde Irrigation District, Uinta Basin and the Saline Water Use and Disposal Opportunities units.

Closed Basin Division, San Luis Valley Project-Colorado

The President's FY 1983 budget includes $4,798,000 for construction of the Closed Basin Division including the drilling and development of deep wells for Stage 1-2, for furnishing and installing pumps for these wells and for drilling and developing wells for Stage 3. The program also includes construction of canals and laterals and transmission lines for Stage 1-2. The project will facilitate Colorado's deliveries of Rio Grande water to downstream states in compliance with the Rio Grande Compact. I fully support the President's budget for this project.

General Investigations

The proposed Bureau of Reclamation program also includes general investiagtions of interest to New Mexico. These are: 1) $95,000 to continue a feasibility study authorized by P.L. 95-578 for rehabilitation and possible raising of Santa Cruz Dam; 2) $5,778,000 for continuing investigations under the Colorado River Water Quality Improvement Program; 3) $264,000 for Environmental and Interagency Coordination Activities in New Mexico; 4) $370,000 to study the hydropower potential at existing facilities in New Mexico; 5) $105,000 for minor work in connection with completed project investigations in New Mexico; 6) $91,000 to provide Technical Assistance to the states in the form of expertise in hydrology, engineering or other disciplines to aid the state in water resource planning; 7) $180,000 to continue an appraisal grade investigation of the water and mineral resources of the Tularosa Basin; and 8) $240,000 to continue the Lake Meredith Salinity Control Project investigation.

I support funding for a total of $7,123,000 for the general investigations described above.

Operation and Maintenance Program

I support the President's FY 1983 budget for appropriation for Operation and Maintenance of Bureau of Reclamation Projects in New Mexico and for projects in adjacent states in which New Mexico has an interest. These include: 1) Colorado River Storage Project, $13,361,000; 2) Carlsbad Project, $21,000; 3) Pecos River Basin Water Salvage, $500,000; 4) Rio Grande Project, $2,315,000; 5) Middle Rio Grande Project, $3,630,000; 6) San Luis Valley Project, $45,000; 7) Soil and Moisture Conservation Programs in New Mexico, $427,000; and 8) Cultural and Land Resources activities in New Mexico, $150,000.

CORPS OF ENGINEERS

Rio Grande and Tributaries - Rio Puerco, Rio Salado, New Mexico

The President's FY 1983 budget includes $60,000 to complete Phase I planning of the authorized Rio Puerco-Rio Salado Project which will provide much needed flood sediment control in the Rio Grande Basin of New Mexico. I fully support the proposed budget for this program.

Abiquiu Dam

The President's FY 1983 budget does not include funds to initiate construction of additional spillway capacity on the completed Abiquiu Dam. The additional spillway capacity is necessary to assure safety of the structure under the Corps' current dam safety standards. It is requested that $2.5 million, which I am advised is within the Corps' capability for construction, be included in the FY 1983 budget to initiate construction of additional spillway capacity at Abiquiu Dam.

Authorized Surveys

The President's FY 1983 budget includes $560,000 to continue the Corps of Engineers' investigation - Gila River and Tributaries upstream from Camelsback Dam Site, Arizona and New Mexico. The investigation is to survey the feasibility of providing solutions to the flood problems in the area. I support the proposed budget for this investigation.

The President's FY 1983 budget proposes $310,000 to continue the Corps of Engineers investigation - Colorado River and Tributaries above Lee Ferry, Arizona. At this time the program is primarily an investigation of the San Juan River and Tributaries in Colorado and New Mexico. The investigation is being conducted to determine the feasibility of constructing improvements for flood control and related water resource purposes within the San Juan River sub-basin of the Colorado River Basin above Lee Ferry, Arizona. An early completion date for the San Juan River and Tributaries portion would be helpful to New Mexico. It is requested that the FY 1983 budget for this program be increased to a total of $410,000, which I am advised is within the Corps' capability for study, to accelerate completion of the investigation of the flood problems of the San Juan River and Tributaries.

The President's Fy 1983 budget includes $620,000 for the Corps to proceed with the authorized survey - Rio Grande and Tributaries, Colorado and New Mexico. The survey is directed at determining flood control, drainage and related problems and the feasibility of providing improvements for solution of these problems above El Paso, Texas. The study includes investigation of flood damages in the Grants-Milan area along Rio San Jose. This area was threatened with serious flood damage in the spring of 1980. As a result the State asked the Corps of Engineers to complete as soon as possible a study of measures to relieve the flood threat at Grants and Milan. It is requested that an additional $130,000, which I am advised is within the Corps' capability for study, be included in the FY 1983 budget to accelerate completion of the study of the Grants-Milan area.

The President's FY 1983 budget does not include funds for advance engineering and design on the authorized Rio Grande Floodway at Truth or Consequences, New Mexico. It is requested that $250,000, which I am advised is within the Corps capability for study,be included in the FY 1983 budget for advance engineering and design on the Rio Grande Floodway at Truth or Consequences.

The President's FY 1983 budget does not include funds for advance engineering and design on the authorized project -- Santa Fe River and Arroyo Mascaras at Santa Fe, New Mexico. It is requested that the FY 1983 budget include $200,000, which I am advised is within the Crops' capability for study,for advance engineering and design on the Santa Fe River and Arroyo Mascaras project.

Operation and Maintenance Program

I support the President's FY 1983 budget for appropriations for operation and maintenance of Corps of Engineers projects in New Mexico. These include: (1) Abiquiu Dam $596,000; (2) Cochiti Lake $1,193,000; (3) Conchas Lake $643,000; (4) Galisteo Dam $112,000; (5) Jemez Canyon Dam $181,000; (6) Santa Rosa Dam $446,000 and (7) Two Rivers Dam $170,000.

CONCLUSION

The excellent water resource planning and development work being done by the Bureau of Reclamation and the Corps of Engineers in New Mexico and adjacent states is essential to the welfare of this state and to the nation. I sincerely appreciate the opportunity to present this statement in support of appropriations for the work of these agencies.

Statement of Robert E. Karlin, Chairman, San Juan County (N. Mex.) Commission

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, MY NAME IS ROBERT KARLIN, I AM CHAIRMAN OF THE SAN JUAN COUNTY COMMISSION IN NORTHWESTERN NEW MEXICO. OUR COUNTY HAS A COMMON CORNER WITH THE STATES OF ARIZONA, COLORADO, AND UTAH. IT IS A VERY ARID AREA WITH ABOUT 8 INCHES OF ANNUAL PRECIPITATION. ONLY 5% OF OUR 3½ MILLION ACRES IN SAN JUAN COUNTY IS IN PRIVATE OWNERSHIP WITH 89% OF THE LAND IN FEDERAL OWNERSHIP OR IN TRUST STATUS FOR THE INDIANS. WE ARE, HOWEVER, BLESSED WITH AN ABUNDANCE OF ENERGY YIELDING RESOURCES.

THE ACCELERATED DEVELOPMENT OF THESE RESOURCES HAS LED TO A RAPID GROWTH IN EMPLOYMENT AND POPULATION IN OUR AREA AND WITH THIS GROWTH, OF COURSE, THERE IS AN INCREASED DEMAND FOR MUNICIPAL AND INDUSTRIAL WATER.

THE ANIMAS-LA PLATA PROJECT WILL PROVIDE BENEFITS IN THE FORM OF IRRIGATION AND RECREATION IN ADDITION TO THE POTENTIAL MUNICIPAL AND INDUSTRIAL USES IN THE COUNTY. THE 70,000 ACRES OF AGRICULTURAL LAND IN COLORADO AND NEW MEXICO WHICH WILL RECEIVE A FULL WATER SUPPLY AND RECREATION BENEFITS ASSOCIATED WITH THE SOUTHERN UTE RESERVOIR SHOULD ASSURE A STABLE ECONOMY IN THE LA PLATA VALLEY FOR GENERATIONS. WE FEEL THAT THE INVESTMENT IN THIS PROJECT WILL YIELD RETURNS LONG AFTER OUR SUPPLY OF NON-RENEWABLE ENERGY RESOURCES SUCH AS COAL, URANIUM, OIL AND GAS HAVE BEEN EXPLOITED.

THIS PROJECT WAS FIRST ENVISIONED IN 1938. THIRTY YEARS LATER IT WAS AUTHORIZED BY PUBLIC LAW 90-537. IT HAS BEEN CONFRONTED WITH ENVIRONMENTAL DELAYS AND RECTIFICATION OF PLANS. THE PLANNING IS NOW COMPLETE, THE DRAFT ENVIRONMENTAL IMPACT STATEMENT IS FILED, THE DEFINITE PLAN REPORT HAS BEEN SUBMITTED TO THE SECRETARY--ALL AT GREAT COST TO THE TAXPAYERS. IT IS NOW TIME TO START CONSTRUCTION.

I REQUEST THAT THIS COMMITTEE RECOMMEND WRITING IN AN APPROPRIATION OF $3.25 MILLION TO START CONSTRUCTION OF THE ANIMAS-LA PLATA PROJECT IN THE FISCAL YEAR 1983.

MR. CHAIRMAN, I THANK YOU FOR THE OPPORTUNITY TO PRESENT THIS STATEMENT TO YOUR COMMITTEE.

STATEMENT OF DEE MONTANO, MAYOR, FARMINGTON, N. MEX.

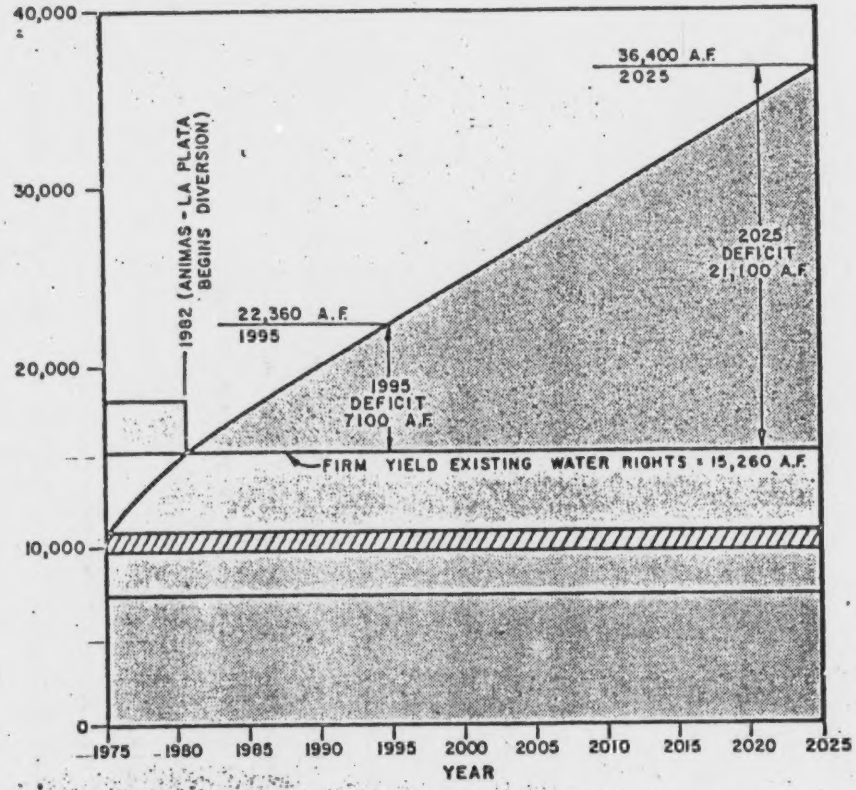
MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, MY NAME IS DEE MONTANO, I AM MAYOR OF THE CITY OF FARMINGTON, NEW MEXICO. I AM A LONGTIME RESIDENT OF THIS COMMUNITY AND HAVE SEEN IT GROW TO ABOUT 40,000 PEOPLE. THIS GROWTH, OF COURSE, HAS RESULTED FROM THE DEVELOPMENT OF ENERGY RESOURCES IN SAN JUAN COUNTY AND THE POTENTIAL IS FOR MUCH MORE GROWTH AND DEVELOPMENT. WE HAVE AN ABUNDANCE OF COAL, URANIUM, OIL AND GAS IN THE SAN JUAN BASIN, BUT WE NEED AN ASSURED WATER SUPPLY FOR THEIR DEVELOPMENT AND FOR THE INCREASING NUMBER OF PEOPLE WHO WILL IMPLEMENT THAT DEVELOPMENT.

IN ADDITION TO THE BURGEONING POPULATION WITHIN OUR CITY LIMITS, MANY PEOPLE ARE MOVING INTO THE SURROUNDING RURAL AREAS. FARMINGTON FURNISHES TREATED WATER FOR TWO RURAL DISTRICTS AND TO THE COMMUNITY OF SHIPROCK. A STUDY BY OUR CONSULTANT, SCANLON & ASSOCIATES, REINFORCES THE STUDY DONE BY THE BUREAU OF RECLAMATION AND MANDATES WE WILL NEED IN EXCESS OF 20,000 ACRE FEET OF WATER BY THE YEAR 2050 TO MEET THE NEEDS OF OUR CITIZENS, IF OUR GROWTH OF THE AREA CONTINUES AT ITS PRESENT PACE. THE ANIMAS/LA PLATA PROJECT WILL GO A LONG WAY TOWARD MEETING THIS NEED. I HAVE ATTACHED A COPY OF THEIR PROJECTION TO THIS STATEMENT. AT OUR PRESENT RATE OF GROWTH WE WILL NEED ADDITIONAL SUPPLIES OF WATER FOR MUNICIPAL AND INDUSTRIAL PURPOSES BY THE TIME THE ANIMAS/LA PLATA PROJECT IS COMPLETED.

WE FEEL THAT OUR CITY WILL ALSO BENEFIT FROM THE STABLE ECONOMY WHICH WILL RESULT FROM THE AGRICULTURAL INCOME WHICH WILL BE AFFORDED BY A FULL WATER SUPPLY ON 70,000 ACRES IN THE LA PLATA VALLEY AND FROM THE INDUSTRIAL GROWTH AND RECREATIONAL BENEFITS EVOLVING FROM WATER SUPPLIED BY THE ANIMAS/LA PLATA PROJECT.

I WOULD LIKE TO REQUEST THAT THIS COMMITTEE RECOMMEND THE APPROPRIATION OF $3.25 MILLION TO INITIATE CONSTRUCTION OF THE ANIMAS/ LA PLATA PROJECT IN THE FISCAL YEAR 1983.

MR. CHAIRMAN, I WOULD LIKE TO THANK YOU FOR THE OPPORTUNITY OF APPEARING BEFORE THIS COMMITTEE TODAY TO PRESENT THIS STATEMENT.



* BASED ON DRY YEAR CONSUMPTION; AVERAGE YEAR IS 7% LESS.

** FIRM YIELD OF STORAGE RIGHT REDUCED FROM 7200 A.F. TO 4360 A.F. AFTER ANIMAS - LA PLATA PROJECT IS OPERATIONAL.

PROJECTED WATER SUPPLY DEMAND AND WATER RIGHTS REQUIREMENT

LEGEND

▒	10 C.F.S. DIRECT DIVERSION RIGHT, ANIMAS RIVER.
░	2507 A.F. DIRECT DIVERSION RIGHT, ANIMAS RIVER.
▨	1155 A.F. DIRECT DIVERSION RIGHT, SAN JUAN RIVER.
☐	7200 A.F. STORAGE RIGHT** ANIMAS RIVER.
▒	PROJECTED FUTURE WATER RIGHTS REQUIREMENTS.

WATER SUPPLY ALTERNATIVES REPC
CITY OF FARMINGTON
FIGURE II

STATEMENT OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT

The Narrows Project remains an essential factor in meeting the water needs of the South Platte River Basin. Our request of this committee for fiscal year 1983 is an appropriation of $10 million The purpose of these funds would be to reinitiate activities concerning the project.

We submit today that the project is needed much more now than it ever has been. In submitting this statement, we respectfully implore each committee member to consider the regional differences between the needs of semi-arid Colorado and other areas of our country.

The Narrows Project becomes more important to our area daily because the needs of the region are changing so quickly. Narrows is now a project for all the people of the eastern slope; farmer and unbanite alike.

How can the Narrows Improve Regional Agriculture? Besides the many and varied benefits of a large multi-use project, Narrows can contribute greatly to existing agriculture. But, according to the study Agricultural Land Conversion in Colorado, published by the Colorado Department of Agriculture, "Renewable irrigated acreage served by renewable water supplies is no higher now than it was in 1959." And, "2/3 the value of all Colorado crops is based upon irrigation." The Narrows project would provide 'security through storage' to existing producers while opening new lands to production.

Also mentioned in the study, "Eighteen percent of Colorado's current irrigated acreage (503,000 acres) depends upon nonrenewable groundwater. Most of this acreage (406,000 acres) is located in the eastern high plains above the Ogallala aquifer." It should come as no surprise that falling water tables are endangering the production of this area.

We submit that recharge of the Ogallala or surface water deliveries is possible with South Platte River water, but impossible without large scale storage (Narrows).

How can Narrows Aid in Orderly Population Growth? Our current population of 2.7 million is growing at an annual rate of 2.75 percent -- nearly three times the national rate. According to a recent study by the Department of Housing and Urban Development, "Front range population is expected to increase by one million residents by the year 2000. This growth will require an additional 200,000 housing units between 1985 and 2000."

Clearly, these new residents will need water. Rather than the present practice of cities acquiring senior agricultural water rights for human consumption, new and dynamic practices of sharing our water resources will come forth, if there is storage!

The Narrows Project, over time, will develop a tremendous volume of water which can be shared by urban and rural water users, through orderly and accepted exchange procedures.

Today, we ask for the help of the Federal Government to fund this incredibly important project.

Local financial support is a part of the Narrows Project financing. State front-end money has been offered to the Reagan administration. The taxpayers of the area have been financially supporting this project through their taxes. They have demonstrated further support through the willingness to contract with the United States for repayment of the project's costs as prescribed in the acts of this Congress. The District has a contract to pay the United States Treasury also $91,000.00 per year for our apportioned share.

Greater payments will be made to the United States as the values of the agricultural commodities change. The water service contract meets the administration's objectives in the area of repayment also. The repayment escalator clause assures that the United States will receive a fair payment on their wise investment.

Colorado strongly supports the Narrows Project. The Narrows again became the number one priority for construction of the Colorado Water Conservation Board. The Governor and the State Legislature have recognized the increasing importance of the development of the water resources in meeting the demands placed on Colorado by the energy crises, food production, foreign exchange of agricultural commodities, and others, such as gasohol proposals. To meet these demands the Colorado State Legislature is in the process of establishing a fund to meet the financial requirements for the development of Colorado's water resources. Monies would be available from this fund to meet the state's share of the construction costs for future federal projects and other purposes.

Over the past years we have enjoyed the opportunities to present to this committee, myriads of facts and information outlining the need for the Narrows. Now, new efforts designed to develop and receive mutually beneficial use from Colorado resources enter into the picture. For example, a program designed to take agricultural water, place it in municipal use, then treat that water and return it to agricultural systems, is facing public opposition. You may ask why such a farsighted program would be opposed. We submit that the lack of storage facility such as the Narrows makes this type of program almost impossible. Agricultural water users must be assured of storage facilities.

At this point we raise the question of the contract as it represents the honor and word of the United States Government. As earlier mentioned, this sponsoring District executed a repayment contract with the Secretary of the Interior, on July 27, 1976. Since the initiation of the most recent activities on the Narrows in 1958, the people of the South Platte Valley have held this engagement with the Department of Interior to be one of honor and good faith. The contract representing the good faith of the United States to pursue the completion of the Narrows Unit. Throughout the intervening 24 years we have complied with the laws of this honorable Congress and every mandate of successive Presidents from John F. Kennedy. We have consented to demands for changes by federal agencies. Many of which did not benefit the water user but which increased the project cost for the water users. There have been no major changes in reclamation law to date. Yet, we are kept from achieving this valid goal. The people have spent years of time, hundreds of thousands of dollars, and have made the contractual commitments. We submit that the actions of the current administration suggests that this contract, the word of the United States, is meaningless.

Our appeal to this committee for funding includes an appeal that the contract and the word of the United States be restored to an elevation of honor and meaningfullness.

Energy is the most critical issue in this country today, Denver, Colorado is being looked upon as the energy capital of the country. The United States must take progressive and immediate action to eliminate our dependency upon foreign energy. This means development of coal and oil shale. Denver will be the hub of this essential development. The increase in population is going to have a major impact on the "normal" or "base" water supply of our area. This places further importance on the ability to capture the more unusual flows of large volume.

In summary, we apeal to Congress to :

a) Appropriate $ 10 million for the reinitiation of contruction activities on the Narrows Project for FY-1983.

The attention of the members of this committee is greatly appreciated.

Thank you.

STATEMENT OF BRICE LEE, SOUTH DURANGO (COLO.) WATER DISTRICT

I am Brice Lee, and I am a longtime Board Member of the South Durango Water District which serves an area located south and west of Durango. Our district was first formed in 1965, and we then contracted with the City of Durango to process our water (1.333 cfs) from the Animas River. At the time the District was formed, this amount of water was more than adequate for the users within the district. However, in the last 15 years much of what had been an agrarian use has changed to industrial and domestic uses. For example, we are presently serving the major industrial park in La Plata County comprised of more than 34 industries and businesses, as well as new subdivisions, totaling more than 2,000 existing and approved domestic units. The South Durango Water District has requested 2,000 acre feet of water from the Ridge's Basin Reservoir for these new domestic users, and has indicated a willingness to sign a letter of intent with the Animas-La Plata Water Conservancy District for the purchase of this water. Without this water, our ability to serve these needs is limited.

Our water board views the Animas-La Plata Project as the only viable means of meeting the demands of new growth within the district. This growth is not only physical in the form of new homes and industry, but the Project will supply an economic growth founded on a continuing, stable water supply for our farms and ranches. When the agricultural community can draw on a known water resource, the agricultural lands within the county will remain constant and not be converted to subdivisions. The result of the Project necessarily must be a balanced land use of domestic and agricultural application. The Project can only strengthen our region, and we would appreciate your support of 1983 construction start funds in the amount of $3,250,000.

STATEMENT OF SARA DUNCAN, COMMISSIONER, LA PLATA COUNTY, COLO.

I am Sara Duncan, a La Plata County Commissioner and a resident of Durango, Colorado. On our commission are two Republicans and one Democrat and while we do not always agree, we are unanimous in our commitment to the Animas-La Plata Project. The Animas-La Plata Project is an elected representative's dream, since it provides the solution to a myriad of problems and establishes a basis for economic stability and long range planning throughout the country. Some of the problems it solves are as follows:

1. The project is unequivocally the only solution to the Indian Water Claims issue. The Southern Ute Indian Tribe has agreed to a specific amount of water from the Project which would allow existing water rights to continue unabated as well as provide for large scale non-Indian water usage.

2. The economic feasibility of the Animas-La Plata Project is also most favorable. In La Plata County, the Southern Ute Indian Tribe's water would assist in coal development on a tremendous scale as well as supply continuous irrigation water to 70,000 acres where only 10,000 are irrigated now. This in turn would help establish an econcmic independence hitherto unknown, and insure that children raised here could find work and raise their families here as well.

3. Two water based recreation areas would be created from the Project and increase user recreation days almost fivefold. Both local residents and the tourist based economy should prosper because of this.

4. The growth rate of the cities and towns in our area is phenominal, and the Project is the answer to a stable and known water supply for municipalities in both Colorado and New Mexico, as well as creating an option for controlled growth.

The concept of "due diligence" is axiomatic in Colorado water law. The Southwestern Water Conservation District has come to Washington for almost 20 years to urge construction of this project and has been instrumental in educating the public about all aspects of project construction and financing.

The opposition has complained bitterly about the cost of the Project, but they themselves through delaying tactics in court and with the elected officials, have contributed greatly to the increased money required to build the Project. I want to assure you that the taxpayers against the (Animas-La Plata) Referendum have uniformly been against every aspect of growth in the country, and their credibility is nonexistent.

I am an elected official, as are you, and it will redound to all of our credit if you allocate the 3.25 million dollars requested for a construction start on the Animas-La Plata Project in fiscal year 1983.

STATEMENT OF LLOYD DOERFER, MANCOS WATER CONSERVANCY DISTRICT

I am Lloyd Doerfer, board member of the Mancos Water Conservancy District. I am here to urge you to support both the $43,600,000 continuing construction for the Dolores Project and the $3,250,000 construction start monies for the Animas-La Plata Project. I urge your support not only because both these projects contain very fine agricultural, domestic and recreation features, but also because they contain a solution to the reserved water rights problems presented by Indian claims. I will demonstrate the importance of this by reference to our own water project.

The Mancos Water Conservancy District was formed in the late 1930's to help build the Jackson Gulch Project, authorized by Congress October 4, 1940. The Project was completed in the early 1950's and has provided enough water to irrigate 13,000 acres. People in our area have been glad to pay back the federal government the Project cost over the last 30 years. However, no provision was made for Winter's Doctrine Reserved Indian Water Rights and there is no adjudicated water allocation for the Ute Mountain Ute Indian Tribe through whose lands the Mancos River runs. There is potential for irrigable acres on the Ute Mountain Ute Reservation of 42,000 acres of land. If they are granted the number one water right on the Mancos River, the effect would be devestating on present beneficiaries of Project waters.

The same situation is present on the La Plata and Florida Rivers (which serves Durango) and the agreed to allocation by the Southern Ute and Ute Mountain Ute Indian Tribes is critical to the success of the Animas-La Plata Project. Without this agreement, it is likely that the resolution of the reserved water claims would deprive Durango of domestic water for six months a year, and forestall La Plata River irrigation on private land in both Colorado and New Mexico.

The Dolores Project has the same agreed to allocation of water rights by the Ute Mountain Ute Indian Tribe, and is going to be extremely beneficial to all areas of our local economy. I urge your continued support of the Animas-La Plata and Dolores Water Projects, they will alleviate many fears about Indian reserved water rights, and will produce an orderly, fair and productive dispersion of waters.

STATEMENT OF PAUL FURY, MEMBER, BOARD OF DIRECTORS, DOLORES WATER CONSERVANCY DISTRICT

I am Paul Fury, representing the Board of the Dolores Water Conservancy District, which was formed in conjunction with the construction of the Dolores River Project. Last year you authorized $31,768,000 for continuous construction on the Project, and we are here to request continuing construction funds in the amount of $43,600,000.

This project promises great benefits in the areas of municipal water supplies, resolution of Indian reserved water claims, irrigation, recreation and wildlife. You have agreed with us that these goals are important, but I wish to inform you as to the progress of the Project. Excavation on the McPhee Reservoir is almost complete and abutment work should be started this summer. The Bradfield Bridge on the access road on the north side of the reservoir has been completed and bids will be let on the two remaining bridges on the road. Archeological mitigation studies are almost complete in regard to their field work. The Great Cut Dike is probably about 40% complete. Again, the excavation which has been done in this summer should see the advent of the preliminary cement work. The Bureau is almost ready to let a contract on the construction of the Dolores Tunnel so that the major pieces of construction are either in place or work is soon to commence on them. In addition, the periferal work is continuing at a rapid pace. Renovation of the sewage plant in Dolores continues. The final plans on the first reach of the Dove Creek Canal and the distribution of the Fairview irrrigation block (15 miles northwest of Cortez) should be completed this summer. We in this area are very proud of this Project. We feel that our cooperative efforts will assure a successful completion on time and at a cost-effective figure.

One of the real benefits of the Project has been in the area of employment in western Colorado and we wish to thank you for your continuing support and ask you to concur in President Reagan's request for $43,600,000 of continuing construction funds on the Dolores Project.

COLORADO RIVER SALINITY CONTROL PROJECT

PREPARED STATEMENT

Senator HUDDLESTON. Before calling the Nebraska witnesses, the committee has received a statement from the Colorado River Basin Salinity Control Forum which will be placed in the record at this point.

[The statement follows:]

STATEMENT OF JACK BARNETT, EXECUTIVE DIRECTOR, COLORADO RIVER BASIN SALINITY CONTROL FORUM

Interior	
Bureau of Reclamation	
Construction	$ 16,276,000
Plan Formulation	5,778,000
Advance Planning	500,000
Subtotal	22,554,000
Bureau of Land Management	
Construction	$ 400,000
General Survey and Feasibility Analysis	400,000
Subtotal	800,000
TOTAL	$ 23,354,000

* * * * * * * * * * * * * * *

The Forum members, appointed by their governors, represent the states of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming. The objective of the Forum is to provide a basinwide coordinated approach to controlling salinity of the River such that salinity concentrations can be maintained at acceptable levels while the states develop their compact apportioned waters. Most of the members of the Forum are from water resource and water quality agencies of state governments. A list of members is attached.

The seven Basin states are united in presenting this statement on behalf of appropriations to implement Title II of P.L. 93-320, the Colorado River Basin Salinity Control Act. This basinwide program will directly benefit 14.5 million U.S. citizens using Colorado River water.

The administration's budget recommends $16,276,000 for funding of Title II of P.L. 93-320 for continued construction of authorized salinity control units: Paradox Valley Unit, Colorado; Grand Valley Unit, Colorado; and Las Vegas Wash Unit, Nevada. The Forum supports the administration's request. The President's budget also recommends $5,778,000 for continuing investigations under the Colorado River Water Quality Improvement Program leading to feasibility reports on other salinity control units. The Forum also supports this request.

When the Colorado River Basin Salinity Control Act was passed by Congress in 1974, it was anticipated that, after some needed investigation, additional cost effective salinity control projects would be identified as necessary to further the commitments of the Congress and the states to maintain the water quality of the River. The Forum has concluded that there is enough additional information to warrant the authorization of six additional salinity control units and legislation has now been introduced by western senators to accomplish this (S.B. 2202). Those units are: Lower Gunnison Basin Unit, Colorado; McElmo Creek Unit, Colorado; Palo Verde Irrigation District, California; Saline Use and Disposal Opportunities, basinwide; Uinta Basin Unit, Utah; and the Sinbad Valley Unit, Colorado.

The U.S. Bureau of Reclamation (USBR) has requested $300,000 for advanced planning funds which we request be increased by $200,000 to a total of $500,000, for advanced planning of these units in anticipation of Congressional action on the salinity legislation now before the Congress. We applaud the administration for this action and request that the Congress favorably consider the advance planning request. We further request that as the proposed legislation moves through the Congress, the appropriation committee consider transferring funds from the general investigations program to advance planning where appropriate. The seven Colorado River Basin states worked collectively, under the auspices of the Colorado River Basin Salinity Control Forum, to draft legislation and suggest it to Congress. Senate Bill 2202 has the unanimous support of the basin states and reflects the concerted effort of those states as they work together to find solutions to the water quality problems of the Colorado River. Obviously, from the inclusion of requested appropriations in the President's budget, it also has the administration's support.

Funding for the role that the U.S. Bureau of Land Management (BLM) should play to control salt contributions from public lands was not addressed in the administration's budget. That agency has been attempti to identify ways in which salinity can be controlled on the vast amount of public lands present in the Colorado River drainage. The Sinbad Valley Unit is a unit which has been conceptualized by BLM. The Sinbad Valley Unit, which would control the discharge of some very saline springs on public lands in Western Colorado, is a cost effective unit and is ready for advanced planning, design, and construction.

This current fiscal year, $140,000 is being spent on planning for Sinbad. For the salinity control program to move ahead on the public lands, BLM has indicated that they will need $400,000 to complete their investigations of the Sinbad Valley Unit and to prepare designs for the anticipated construction which will be authorized by the legislation now being considered by the Congress. The BLM further needs $400,000 for general surveys and feasibility analysis of the many faceted potential salinity control opportunities in the Colorado River drainage on public lands.

The funding for BLM efforts could be accomplished by writing the amount necessary for the BLM effort into the USBR budget then allowing USBR, which has been designated to take the lead for salinity control in the Department of the Interior, to transfer the needed funds to BLM through interagency agreements. Funding could also be provided by appropriation directly to BLM.

We understand that the Subcommittee on Interior prepares the budget for BLM. The administration has not yet indicated their preference with respect to the funding procedures for BLM. The Forum requests that this subcommittee, in cooperation with the administration and the Subcommittee on Interior determine what the most effective and appropriate funding procedure should be and then that the funds be appropriated for the BLM program as requested in this testimony. We therefore request that the total construction budget be increased by $400,000 to an amount of $16,676,000, the plan formulation budget be, as requested by the administration, $5,778,000, the advanced budget be increased by $200,000 to an amount of $500,000, and that $400,000 be appropriated for BLM General Survey and Feasibility Analysis, bringing the total appropriation for the Department of Interior's salinity control effort in FY 83 to $23,354,000.

The legislation being considered by the Congress does not ask for an increase in the ceiling of the amount of funds which can be expended under this program as established by Congress in 1974. The addition of the units as authorized units, as we have described in this request, simply allows the administration to move funds to the most cost effective salinity control units as efforts proceed to meet downstream water quality standards.

The requested funds will permit continued planning and construction on the three previously authorized and funded units - Paradox Valley, Colorado, Grand Valley, Colorado, and Las Vegas Wash, Nevada. It is essential that construction schedules be maintained in order to meet the Congressional objective in the Colorado River Basin Salinity Control Act, which is that salinity levels in the lower mainstem of the Colorado River be maintained at or below 1972 levels (numeric criteria). These are the maximum levels of salinity concentration adopted by the seven states in 1975 and approved by the Environmental Protection Agency (EPA). As required by law, the states have reviewed the adopted salinity standards in 1978 and 1981. The review has lead the states to unanimously concur that the numeric criteria, as established in 1975, are still appropriate.

To maintain these levels of salinity concentration, an estimated 2.8 million tons of salt annually, based on USBR studies, must be intercepted before entering the river system by the year 2000. Unless these standards are met, rising salinity will cause economic detriments of many millions of dollars annually to U.S. citizens. In addition, if the Colorado River salinity rises substantially, the U.S. could be faced with a new salinity problem with Mexico, notwithstanding salinity reductions which will result from operation of the Yuma Desalting Plant which is under construction. Thus, the salinity control units now under construction are not only essential to the well-being of U.S. citizens, but contribute materially to international comity with Mexico.

The Colorado River is an interstate and international stream, with most of its drainage area owned or controlled by the Federal Government. Thus, the heart of the implementation plan lies with the Federal salinity control program identified in Title II of P.L. 93-320. Even with this significant Federal responsibility, the states have agreed to, and are, reimbursing the Federal Government for 25% of the costs of the salinity control units constructed under the authorities of P.L. 93-320 through the two Colorado River Basin accounts (the Lower Colorado River Basin Development Fund and the Upper Colorado River Basin Fund).

Passage of the legislation now before Congress and the funding requested in this testimony is essential for these standards to be met. The Colorado River Basin Salinity Control Forum urges that a FY 83 Interior budget of $23,354,000 for salinity control in the Colorado River Basin be appropriated.

On behalf of the seven Colorado River Basin states represented on the Colorado River Basin Salinity Control Forum, I thank you for the opportunity to present this statement.

COLORADO RIVER BASIN SALINITY CONTROL FORUM

Members

ARIZONA:

Wesley Steiner, Director
Department of Water Resources

Ronald L. Miller, PhD, Chief
Bureau of Water Quality Control

Stewart Udall
Attorney at Law

CALIFORNIA:

Walter G. Pettit, Chief, Technical Services Division
State Water Resources Control Board

Myron B. Holburt, Chief Engineer
Colorado River Board of California

COLORADO:

D. Monte Pascoe, Executive Director
Depatment of Natural Resources

David Robbins
Attorney at Law

Dr. Frank Traylor, Executive Director
Department of Health

NEVADA:

Duane R. Sudweeks, Director
Colorado River Commission of Nevada

Lewis H. Dodgion, Administrator
Division of Environmental Protection

Roland D. Westergard, Director
Department of Conservation and Natural Resources

NEW MEXICO:

Stephen E. Reynolds
State Engineer

UTAH:

Calvin K. Sudweeks, Director
Bureau of Water Pollution Control

Daniel F. Lawrence, Director
Division of Water Resources

WYOMING:

George L. Christopulos
State Engineer

William L. Garland, Administrator
Water Quality Division

NEBRASKA WATER RESOURCE DEVELOPMENT PROJECTS

PREPARED STATEMENT

Senator HUDDLESTON. Now, I think this would be the proper place to include a prepared statement from the Nebraska Water Resources Association which covers several projects and studies of importance to the Nebraska area.

Without objection, the statement of Jack Odgaard, the executive vice president of the association, will be included in the hearing record.

[The statement follows:]

STATEMENT OF JACK ODGAARD, EXECUTIVE VICE PRESIDENT, NEBRASKA WATER RESOURCES ASSOCIATION

Mr. Chairman and members of the committee, I appreciate this opportunity to testify. I'm Jack Odgaard, Executive Vice President of the Nebraska Water Resources Association, and I'm representing my 1,500 members today in support of appropriations for water projects in Nebraska. I am submitting this full written statement for the record, along with a brief statement regarding all of the Nebraska projects. But, to keep this testimony brief, I will just address funding for one project we consider extremely crucial--the O'Neill Unit reclamation project. I will summarize from this statement and ask that the full statement with attached documents be included in the record.

Summary

My testimony last year included detailed discussion of all the major issues, impacts and benefits of the O'Neill project, including those significant beneficial effects for which little or no economic benefit is assigned or considered in the federal criteria for determination of benefit-cost analyses. Those matters are no less important today, and I suggest that any reassessment of the O'Neill project under more realistic criteria and guidelines indeed would prove substantially more and higher federal economic benefits from the project.

Since last year, new information has become available and additional evidence has been obtained regarding some of the benefits of the O'Neill project I addressed last year. The documents I have attached to this statement concern this new evidence and added information. The documents include: (1) a ground water condition and surface water projects map of Nebraska; (2) the cover sheet from the Nebraska summary of the High Plains Ogallala Aquifer Study; (3) a Burlington Northern Railroad letter concerning rail service improvements in connection with the O'Neill project; (4) a chart showing corn yield projections of past Bureau of Reclamation projects in Nebraska compared to actual 1981 yields; (5) a chart showing Bureau of Reclamation project construction cost estimates for Nebraska and Kansas projects, and actual construction costs; and (6) a list of local and statewide organizations that testified in support of the O'Neill project at a state legislature hearing on the project held February 26, 1982.

Mr. Chairman and members of the committee, I know you will be hearing from opponents of the O'Neill project. They are mostly from outside the project area, from outside the congressional district in which the project is located, and probably from outside the State of Nebraska.

Those opponents have said the project will "destroy" the Niobrara River; that it will innundate 30,000 acres of land; that it will benefit only a few large corporations at the expense of smaller family farms; and that the project isn't necessary or justified. In spite of the facts and evidence already presented and repeated many times, opponents have continued those claims in their efforts to orchestrate a highly emotional opposition to the project outside the area and state.

I'll address those claims in more detail in the remainder of my statement that is being submitted; but for the conclusion of this oral statement I will address some of the adverse and negative conditions that will occur if the O'Neill project is not built. Again, the attachments and other evidence support these conclusions.

1. If the O'Neill project is not built, there will be a lack of a potable, safe domestic water supply for thousands of people in the near future--probably within 10 to 20 years. Fresh water supplies will have to be located and pumped or transported to numerous communities in north-central Nebraska.

2. If the O'Neill project is not built, widespread declines in ground water levels will force reversion to dryland farming and make irrigation uneconomical in an area of hundreds of thousands of acres.

3. If the O'Neill project is not built, agricultural production over a large area of Nebraska will be curtailed, and associated jobs, employment, and businesses will decline.

4. If the O'Neill project is not built, local, state, and federal revenues will decline and greater expenses and pressures will be put on remaining residents of the area, the state, and federal programs to support local government, education, and public services.

5. If the O'Neill project is not built, agricultural production for U.S. exports will decline, to the detriment of the U.S. balance of trade and all American citizens and taxpayers.

6. If the O'Neill project is not built, agricultural production for U.S. food supplies and world food needs will diminish.

7. If the O'Neill project is not built, rural outmigration will continue, to the detriment of all of society.

8. If the O'Neill project is not built, the decline in family farms now lamented across the nation will continue.

Opponents of the O'Neill project don't address these matters. They don't tell the public this real side of the issue. They ignore or dismiss these issues out of hand. But the issues and impacts are nonetheless real and imminent.

Clearly, the O'Neill Unit reclamation project is in the best interest of the people of north-central Nebraska, of the State of Nebraska, and of the nation. We support the O'Neill project and urge the Congress and the federal government to expedite funding for the earliest possible completion and realization of benefits from the O'Neill project.

Mr. Chairman and members of the committee, this concludes my oral presentation. My additional written statement follows in this statement for the record. along with the several attachments.

Mr. Chairman and members of the committee, in my summary oral testimony presented today I briefly touched on several adverse impacts that will occur if the O'Neill project is not built. Because of the significance of those and other issues, and to help clarify certain things that have been claimed in false statements and misleading information about the project by opponents, this additional written testimony is submitted along with the attachments mentioned in the oral presenation.

This additional testimony covers these key issues involving the O'Neill project: (1) water quality; (2) water availability; (3) ground water recharge; (4) the High Plains Ogallala Aquifer Study; (5) U.S. and world food production; (6) additional economic and social benefits from the project; (7) economic criteria and crop yield projections of the Bureau of Reclamation; (8) project construction cost estimates; (9) project area lands, habitat, and uniequeness; and (10) local, state, and public support for the project.

1. Water Quality

As part of the Environmental Impact Statement on the O'Neill project, a separate study was undertaken on the quality of the ground water in the project area. In recent years ground water levels in the project area have been declining, and associated rises in ground water contamination have been detected. This is highly relevant to the O'Neill project because projected recharge of ground water levels by the project can have a significant impact on arresting and reversing ground water deterioration. On the other hand, without the project the study determined that ground water contamination would become many times worse.

The study found average nitrate levels in wells monitored in the O'Neill and Atkinson areas of north-central Nebraska to be 11 parts per million. Under current and normal farming practices, with the O'Neill project built and in operation, nitrate levels in the area are projected to reach 18.2 parts per million. But if the project is not built, the study projects nitrate levels in the area to reach 163 parts per million. Thus, the beneficial effects on ground water quality from the O'Neill project have been established.

2. Water Availability

The availability of water for the O'Neill Unit reclamation project is substantial. The Niobrara River, which will be the source of water for the project, annually flows more than 1.1 million acre-feet of water out of the State of Nebraska and into the Missouri River. The total diversion of water for the O'Neill project will be some 160,000 acre-feet; and as has happened with similar projects in Nebraska, a significant amount of that is expected to recharge ground water levels and increase stream return flows to the river from runoff and recharge.

3. Ground Water Recharge

The ground water recharge already mentioned is projected to be sizeable in the O'Neill project area. The Bureau of Reclamation calculates that a direct recharge area from the project will occur under 182,500 acres of land. That recharge will help in controlling nitrate contamination already mentioned, and will provide the additional benefits of stabilizing and raising ground water levels for a real savings in fuel for ground water pump irrigation for a large area.

The recharge benefits will be more far-reaching as evidenced in the High Plains Ogallala Aquifer study; and a much larger area of north-central Nebraska is expected to receive indirect benefits from the ground water recharge that will occur with the project.

4. High Plains Study

This year the States of Nebraska, Colorado, Kansas, Oklahoma, Texas, and New Mexico will complete their work as part of the six-state joint federal-state High Plains Ogallala Aquifer Study. That study was origin ally funded by the federal government to determine ground water conditions, economic impacts, and possible solutions to declines in available fresh water supplies for the High Plains region.

The Congress and federal government will be hearing much more about this study in the future and the projections about future agricultural production and economic impacts. Basically, the study shows that six to eight million acres of current irrigated agriculture in the six states will revert to dryland farming or go out of production by the year 2020. The bulk of that loss will occur in New Mexico, Texas, Oklahoma, Colorado, and Kansas.

Only one of the six states is expected to have an increase in irrigation production--Nebraska. Because of its abundance of underground water, Nebraska is projected to increase its irrigation production by six to eight million acres during this same period of time. But, it also is expected to have about 1½ million acres revert to dryland farming or go out of production.

The conclusion from this study is that while Nebraska may experience the added economic benefits and progress of increased irrigation and agricultural production, other states will experience the adversities of decreased production. And, for the United States in general, these occurrences will represent little or no change in total or net agricultural production. In other words, the same amount of agricultural production from the region that is available today will be available in 40 years.

With no increase in food production and growing food demands, it is important for the U.S. that the increased production projected by the High Plains study occurs. And, another finding and conclusion of the High Plains Study becomes that much more significant and important to the U.S.

While about 1½ million acres are expected to revert to dryland in Nebraska, it should be pointed out that that projection was based on no other surface water projects being developed in the state, but it did include and consider the O'Neill project being built. If the O'Neill project is not built, a much larger area of irrigated production either will revert to dryland farming or go out of production, and an area of more than 1 million acres will have ground water level declines of more than 200 feet which may make it uneconomical to continue irrigation farming.

The conclusions of the High Plains study point to the need for surface water development to augment, supplement, and recharge ground water supplies.

5. Food Production

Numerous economic projections and social studies have addressed the growing need for food to meet U.S. and world needs in the future. One forecast by Chase Econometrics predicts that by the turn of the century 15 million acres more of corn production will be needed.

As we hear varying reports about the loss of agricultural land in the U.S. to urbanization, industrialization, and metropolitan expansion, ranging from one to three million acres each year, the significance and importance of irrigation becomes more apparent. It is in the semi-arid regions of the midwest, west, and plains states that the greatest opportunities exist for increasing agricultural production with irrigated agriculture. The O'Neill project will be able to help achieve that agricultural production that will be more severely needed in the future.

6. Economic and Social Benefits

Numerous additional economic and social benefits accrue from the construction of projects such as the O'Neill Unit and from the agricultural production they provide. Many have already been discussed including job and long-range employment opportunities, exports, local and state government support and business impacts, and maintenance of family farms.

A good example of direct benefits associated with a project is the decision by the Burlington Northern Railroad to upgrade and invest $8,700,000 in maintaining a 125-mile branch railroad line through the O'Neill project area. The packet of attachments with my testimony includes a February 23, 1982 letter from Burlington Northern Railroad addressing this subject.

Because of the increased grain production that will be provided by the O'Neill project, that railroad determined that it could economically continue to serve a sizeable rural area. So, instead of a situation in which a railroad abandoned a branch line because of economics, it instead upgraded such a line in connection with the increated agricultural production and business that could be provided by the development of a surface water project.

7. Crop Yields Projections

A familiar and frequent argument of opponents of the O'Neill project is that the Bureau of Reclamation highly overestimates the crop yields from projects in their economic projections for the federal benefit-cost determinations. If anything, the opposite is true as evidenced by the enclosed chart on corn yield projections and actual yields of five Nebraska Bureau of Reclamation projects.

The chart shows that the pre-construction projected corn yields on those five projects was an average of 49.7 bushels per acre. Not since any of those projects have been built has there ever been a single year in which yields have been that low, and the average yield in 1981 was 126.4 bushels per acre--more than 250 percent of the Bureau's projections.

The conservativeness of the Bureau of Reclamation in projecting the O'Neill Unit's crop yields will likely be borne out in the first years of operation of the project. The Bureau projected average yields of 180 bushels per acre. But since that estimate in 1971, the more recent High Plains study projects average corn yields across Nebraska of some 220 bushels per acre by the year 2020.

8. Construction Cost Estimates

Another frequent argument of project opponents is that construction costs are highly underestimated by the Bureau of Reclamation. That claim is refuted by another attachment enclosed, a chart showing pre-construction cost estimates and actual construction costs of the 10 Bureau of Reclamation projects built in Nebraska and Kansas.

Three of the projects had construction costs higher than estimated, and seven had actual costs lower than estimates. The net result for all 10 projects was 2.2 percent under estimated costs of construction.

The conservativeness and accuracy of the Bureau of Reclamation in cost projections is further borne out by the initial contracts on the North Loup Division reclamation project now under construction in Nebraska. Last year a bid was awarded for construction of the Calamus Dam of the North Loup project for $35.4 million, nearly $6.6 million or 16 percent below the engineering estimate of about $42 million.

9. Project Lands, Habitat, and Uniqueness

Project opponents have variously claimed that the O'Neill project will innundate 30,000 acres of land, take 30,000 acres of farmland out of production, destroy the Niobrara River, and destroy a unique biological area to which some have referred as the "biological crossroads of the nation;" and that this will be done to provide irrigation water for 77,000 acres of land, of which only 12 percent is prime farmland.

I have already discussed the available supply of water for the O'Neill project in the Niobrara River, and the small portion of that river's flow that will be used for the O'Neill project. The Norden Dam and Reservoir, principal storage facilities for the project, will be only 19 miles long. The Niobrara River is 430 miles long, and the reservoir and amount of water to be used for the O'Neill project will not destroy or dry up the Niobrara River.

The project will not innundate 30,000 acres of land or take 30,000 acres out of production. The area of the reservoir lake surface itself will be 6,300 acres, and some additional 16,000 acres are being acquired for the reservoir area specifically for wildlife management, fisheries, outdoor recreation facilities, and public access. Fewer than 700 acres in the entire reservoir area are even arable. In the entire project, fewer than 7,000 acres needed for project facilities and systems are even arable, and most of those are dryland acres.

The argument that only 12 percent of the land to be irrigated by the O'Neill project is prime farmland, is false. Although more than the 77,000 acres of land to be served by the project has been signed up to receive water and the actual lands must be determined for the 77,000 acre limit, at the time of design for authorization of the O'Neill project in 1972, project lands were identified as 9,128 acres or 12 percent Class 1, 44,526 acres or 58 percent Class 2, and 23,346 acres or 30 percent Class 3. That is a total of 77,000 acres of prime farmland.

Perhaps the most emotional argument used by opponents of the O'Neill project is that it will destroy the biological crossroads of the nation. In studies on the project, mainly from the environmental impact statement, the various species of wildlife and plants were catalogued. The project's Norden Reservoir area was found to have a crossing and mix of several different species of plants and animals from east and west, north and south. But, that the project would "destroy" such a crossroads, and that this is the only such crossroads is ridiculous and refutable.

An example is in the pamphlet that describes the 2.7 mile trip on the aerial tramway at Albuquerque, New Mexico to the top of Sandia Peak in the Sandia Mountains. According to the pamphlet, "The trip takes you through four of the earth's seven life zones and is equivalent, in biological terms, to a trip from Mexico to Alaska."

It should be clear from that pamphlet that there is no such thing as a true biological crossroads of the nation, and that biological interchanges and crossroads likely exist by the thousands across the U.S. and the face of the earth.

10. Project Support

The final issue to be discussed in detail is that of project support. Interestingly, opponents of the project do not refer to local support or opposition to the project; but they are attempting to influence public opinion by expensive news media advertising, colored brochure publications, and a high-financed door-to-door canvassing in urban areas and cities far removed from the project area and outside of the congressional district in which the project is located.

The latter is clearly without regard to the views, wishes, sentiments, and needs of the local people; and the source of funding forthe project is unknown because sponsors have declined to identify their sources of funds. The people involved in the effort have been identified, and are paid state and regional representatives of the Sierra Club and National Audubon Society, and officers and a few leaders of those and other environmental organizations. The door-to-door canvassers are being paid $160.00 per week, and the material and information they are distributing includes many of the false statements and claims about the O'Neill project being discussed here.

Yet, even with such expenses and tactics to appeal to unsuspecting citizens on the basis of emotionalism and misguidance, project opponents have not been able to refute the significant support for the O'Neill project.

Local support for the project was evidence in 1979 when elections were held on ratification of the irrigation and reclamation contracts for facilities and water service. The first election, on June 1, 1979, resulted in 77 percent approval, and the second election, on December 15, 1979, resulted in 78 percent approval. Since that time, several local organizations have been formed to support the O'Neill project.

The latest indication of the breadth of support for the O'Neill project, and of opposition to it, came during a hearing held February 26, 1982, by the Nebraska

Legislature's Public Works Committee. That hearing was held to hear expert testimony on the project, and views of supporters and opponents. It was held as a result of the introduction of Legislative Resolution 202 by State Sen. John DeCamp of Neligh, in whose district most of the O'Neill project lands are located. And, although the O'Neill Unit is a federal project, the hearing was significant because there had never before been a public hearing held by the state to get information about the project and to determine support and opposition to it.

At that hearing, 53 witnesses testified in support of the O'Neill project, and 25 testified against it. The list of opponents included representatives of 11 organizations or groups, one group repeat, and 13 individuals. The organizations represented included the Nature Conservancy, the Sierra Club, Audubon Society, Nebraska Water Conservation Council, Nebraska Tax Limit Coalition, Save the Niobrara River Association, Nebraska Chapter of the Wildlife Society, University of Nebrask Wildlife Club, and three chapters of the Audubon Society. The cumulative membership of those organizations in Nebraska is less than 5,000.

On the other hand, the 53 witnesses who testified in support of the O'Neill project represented 47 organizations, including 25 local project area organizations and entities of government, and 22 statewide and other groups and organizations. The cumulative membership of organizations that testified in support of the project was nearly 100,000 individuals and business firms (97,201) excluding the populations of the government units (about 30,000 in cities and counties) and natural resources districts which comprise more than 10 million acres or 20 percent of the area of the state.

The following is a list of local project area organizations and entities that testified in support of the O'Neill project:

North Central Nebraska Reclamation District, North Central Nebraska Irrigation District, Norden Dam Committee, Upper Elkhorn Natural Resources District, O'Neill City Council, Niobrara Basin Development Association, Niobrara River Sportsmen Association, Sandhills Rod and Gun Club, Ainsworth Irrigation District, Valentine City Council, Ainsworth Chamber of Commerce, Inolved Women of Brown County, Keya Paha County Board, Springview Chamber of Commerce, Middle Niobrara Natural Resources District, Ainsworth Farmers Coop, Valentine Chamber of Commerce, Lower Niobrara Natural Resources District, Cherry County Commission, O'Neill Chamber of Commerce, Holt County Board of Supervisors, Brown County Board, Ainsworth City Council, Springview Village Board, and the Atkinson City Council.

The following is a list of statewide organizations and other groups that testified in support of the O'Neill project:

The Nebraska Water Resources Association, the Nebraska Association of Resources Districts, the Nebraska Stock Growers Association, the Nebraska Livestock Feeders Association, the Nebraska Land Improvement Contractors Association, the Agriculture Council of Nebraska, the Nebraska Wheat Growers Association, the Nebraska AFL-CIO, the Nebraska Corn Growers Association, the Nebraska Chapter of the American Society of Farm Managers and Appraisers, the Nebraska Fertilizer and Agricultural Chemical Institute, the Nebraska State Irrigation Association, the Nebraska Farm Bureau Federation, the Norfolk Chamber of Commerce, the Lower Elkhorn Natural Resources District, the Columbus Chamber of Commerce, the Lower Loup-Platte Water Association, the Northeast Nebraska Irrigators Association, the Omaha Chamber of Commerce, the Lincoln Chamber of Commerce, the North Platte Valley Irrigators Protective Association, and the Scottsbluff-Gering Chamber of Commerce.

In addition to these groups and organizations that had witnesses testify in suuport of the O'Neill project at the February 26 hearing, several other organizations and statewide groups in the past two years have passed resolutions in support of the O'Neill project.

Mr. Chairman and members of the committee, this concludes my written statement submitted as additional testimony on the O'Neill Unit reclamation project.

LETTER FROM LINUS L. TUMBLESON, DIRECTOR, AGRICULTURAL DEVELOPMENT, BURLINGTON NORTHERN RAILROAD

February 23, 1982

N.W.R.A.
FEB 25 1982

Mr. Jack Odgaard, Executive Director
Nebraska Water Resources Assn.
512 S. 13th Street
Lincoln, NE 68508

Dear Jack,

Burlington Northern Railroad continues to be a strong supporter of the O'Neill Irrigation Unit.

In 1978, we decided to upgrade the Laketon to O'Neill, Nebraska 124.5 mile branchline to handle jumbo grain hoppers instead of abandoning the route. The decision was made following a study of the agricultural potential of the area served by the line. With the well irrigation underway at that time, further well expansion and the knowledge that in 1972 the O'Neill Unit had been authorized, the rehabilitation was started.

When the work is completed in 1982, $8,700,000 will have been spent to save one of Nebraska's branchlines.

There are also four elevators which have constructed trackage to load 54-car trains on the line, three with trackage under construction and others in various stages of planning.

To insure the economic viability of the area and justify the financial committment of the companies and farmers who have made an investment in the area we strongly support funding the O'Neill Unit.

Sincerely,

Linus L. Tumbleson
Linus L. Tumbleson
Director
Agricultural Development

Pre-Construction - vs - As-Built Project Costs

Nebraska-Kansas Projects

Project	Began Const.	Basically Complete	Pre-Const. Cost *Est.*	Date of Estimate	Total U.S. Exp. as of 6-30-75	Under-Over Run	Percent Under - Over
Ainsworth	8-61	6-66	$ 26,429,500	12-58	$ 25,749,810	- 679,690	- 2.6
Almena	12-61	5-67	15,443,000	12-59	20,819,065	+ 5,376,065	+ 25.8
Bostwick[1]	1-55	6-68	99,010,000	6-53	93,786,284	- 5,223,716	- 5.6
Cedar Bluff	4-49	7-63	18,313,607	6-59[2]	17,822,955	- 490,652	- 2.8
Farwell	8-59	8-66	30,534,000	6-55	32,356,107[3]	+ 1,822,107	+ 5.6
Frenchman-Cambridge[4]	6-60	7-64	80,856,908	12-58	81,018,697	+ 161,789	+ 0.2
Glen Elder	11-64	1-69	59,354,000	6-61	56,252,010	- 3,101,990	- 5.5
Kirwin	3-52	1-58	24,037,000	6-52	19,340,881	- 4,696,119	- 24.3
Sargent	1-55	12-57	6,483,000	3-52	6,386,323	- 96,677	- 1.5
Webster	1-53	4-61	18,695,000	12-59[5]	17,261,372	- 1,433,629	- 8.3
		Totals	$ 379,156,015		$ 370,793,504	- $8,362,511	- 2.2

[1] Bostwick Division (includes both Nebraska & Kansas-Bostwick Units, also Harlan County Reservoir constructed by Corps of Engineers)

[2] Cedar Bluff Unit - Distribution System built about 10 years after dam and reservoir - Est. after dam construction

[3] Farwell Unit - Excludes $1,693,474 - planning costs
Includes $2,500,000 - not in preliminary estimate, sub-surface drains
Includes $ 724,072 - Loup City Drain - not in preliminary estimate

[4] Frenchman-Cambridge Division - Has 4 Units - estimate comparison on Red Willow Unit

[5] Webster Unit - Distribution System built about 5 years after dam and reservoir - estimate on distribution system only

CORN YIELD PROJECTIONS AND ACTUAL YIELDS OF FIVE NEBRASKA BUREAU OF RECLAMATION PROJECTS*

PROJECT	PRE-CONSTRUCTION PROJECTED YIELD ESTIMATE (bus.)	CONSTRUCTION START DATE	1981 ACTUAL YIELD (bus.)
AINSWORTH UNIT	48	August, 1961	114
BOSTWICK DIVISION, NEBR.	58	January, 1955	137
FARWELL UNIT	45-53	August, 1959	127
FRENCHMAN-CAMBRIDGE DIVISION	35-48	1950-1960	127
SARGENT UNIT	53	January, 1955	116
AVERAGES	49.7		126.4

1981 corn production averaged 76.7 bushels over pre-construction project estimates, or 154% above the estimates, or 254% of the projected estimates.

*Projections are those contained in the Definite Plan Reports (DPRs) on the project. DPRs are the final documents used for calculation of benefit-cost ratios of projects. The varying projections for the Farwell and Frenchman-Cambridge projects represent projected low yields in dry years and high yields in wet years. DPRs and projections were not required or used on earlier projects such as the North Platte and Mirage Flats projects. The Frenchman-Cambridge Division includes four units.

LIST OF SUPPORT WITNESSES

1. Gordon McDonald, President, Nebraska AFL-CIO

   (Note: A young women representing the Bluesteam Sierra Club from Lincoln spoke next purportedly in support of the resolution, but opposed to the O'Neill project. She took about 15 minutes of the time of supporters).
2. Jim Frerichs, North Central Nebraska Reclamation District, Atkinson
3. Elroy Thieszen, Niobrara Basin Irrigation District, O'Neill
4. Gerald Winings, Norden Dam Committee, Atkinson
5. Wes Furrer, Omaha Chamber of Commerce
6. Paul Hoeff, Nebr. Stock Growers Assn., Wood Lake
7. Dennis Richters, Nebr. Livestock Feeders Assn., Utica
8. Bill Hartmann, Nebr. Land Improvement Contractors Assn., Garland
9. Frank Johannsen, Bayard: Agriculture Council of Nebraska, and Nebr. Wheat Growers Assn.
10. Anne Russell, Norfolk Chamber of Commerce
11. Paul Mann, Upper Elkhorn NRD, O'Neill
12. Jerry Carpenter, Nebr. Corn Growers Assn., Grand Island
13. Bill Mattern, O'Neill City Council
14. Clyde Burdick, Niobrara Basin Development Assn., Ainsworth
15. Jim Paulson, Nebr. Chapter of American Society of Farm Managers and Rural Appraisers, Fremont
16. Steve Oltmans, Lower Elkhorn Natural Resources District, Norfolk

17. Chuck Farnham, Columbus Chamber of Commerce
18. Harlin Welch, Ainsworth: Niobrara River Sportsmen Assn., and Sandhills Rod and Gun Club
19. Dwayne Smith, Lower Loup-Platte Water Assn., Columbus
20. Brent Johnson, Ainsworth Irrigation District
21. Dave Hoesing, Northeast Nebr. Irrigators Assn., Hartington
22. Allen Sedivy, Valentine City Council
23. Jim Mahoney, Nebr. Fertilizer & Ag Chemical Institute, Genoa
24. Tom Brockelman, Ainsworth Chamber of Commerce
25. Mary Jo Curtis, Involved Women of Brown County, Ainsworth
26. Tim Stephen, Keya Paha County Treasurer and Springview Chamber of Commerce
27. Dale Baker, Middle Niobrara NRD, Valentine
28. Dwayne Bramer, Ainsworth Farmers Co-op chairman
29. Ray Eickhoff, Valentine Chamber of Commerce
30. Keith Drury, Lower Niobrara Natural Resources District, Butte
31. Bill Ward, Cherry County Commission, Valentine
32. Jim Cook, Keya Paha County and Nebr. Natural Resources Commission, Mills
33. Terry Lindstrom, O'Neill Chamber of Commerce
34. Fred Krugman, Holt County Board of Supervisors, O'Neill
35. John Reynolds, Brown County Board, Long Pine
36. Richard Buckley, Ainsworth City Council
37. Leo Beattie, Ainsworth
38. E. W. Davis, Ainsworth
39. Bernard Miles, Valentine
40. Larry Rice, KBRB Radio, Ainsworth
41. Don Long, Nebr. State Irrigation Assn., Holdrege
42. Gerald Ehlers, Ainsworth Superintendent of schools
43. C. W. Ripley, Springview Village Board
44. Wendell Gangwish, Nebr. Farm Bureau Federation, Wood River
45. Mrs. Ramona Kamas, Ainsworth
46. Clayton Lukow, various positions, Holstein
47. Don Steen, Chairman, Natural Resources Commission Public Advisory Board, Morrill
48. Ray Russell, North Platte Valley Irrigators Protective Assn., Mitchell
49. Herschel Baird, Scottsbluff-Gering Chamber of Commerce, Scottsbluff
50. Bob Harris, Lincoln Chamber of Commerce
51. Larry Anderson, director, Norfolk Federal Land Bank Assn., Elgin
52. Lee Orton, Nebr. Association of Resources Districts, Lincoln
53. Jack Odgaard, Nebraska Water Resources Association, Lincoln

O'NEILL UNIT, NEBRASKA

STATEMENT OF ALLEN CHRISTENSON, ADMINISTRATIVE ASSISTANT, NORTH CENTRAL NEBRASKA RECLAMATION DISTRICT

Senator HUDDLESTON. We are ready now for the O'Neill Unit in Nebraska.

Mr. CHRISTENSON. Senator, my name is Allen Christenson.

I am administrative assistant for the North Central Nebraska Reclamation District. I have with me today Mr. D. V. Evans, vice president of the reclamation district and Mr. Leonard J. Schaefer, Nebraska Building and Construction Trades Council.

I will be the only one speaking on behalf of the O'Neill unit.

I would like to briefly summarize my testimony and request that you make my statement and other statements I have presented part of the record.

Senator HUDDLESTON. Without objection, they will be part of the record.

[The statements follow:]

STATEMENT OF ALLEN R. CHRISTENSON, ADMINISTRATIVE ASSISTANT, NORTH CENTRAL NEBRASKA RECLAMATION DISTRICT AND NIOBRARA BASIN IRRIGATION DISTRICT

I am Allen R. Christenson, appointed by our local elected officials of the Board of Directors of both the North Central Nebraska Reclamation District and the Niobrara Basin Irrigation District. The districts are subdivisions of the State of Nebraska. Our water users sent us here to respectfully request your continued help in appropriating $700,000 for the O'Neill Unit, Nebraska during fiscal year 1983.

First, your past support in funding our O'Neill Unit is certainly appreciated by our directors and our constituents. We thank you!

This year, we would like to give special emphasis to four major points. But, before doing that we want to say that we went back over our previous filings with your committee. We find that material as true now as it was the day we gave it to you.

The four items to be emphasized are:

1. Continued need for ground water replenishment.
2. Unemployment reversal.
3. Our willingness to pay more.
4. Continued great local, regional, and state support.

The attached Annual Precipitation and Groundwater Levels chart for the O'Neill Area shows graphly the continued declines of the water table in spite and near normal precipitation during 1981. One well dropped two feet during 1981 which was greater the 1980 decline when we had even less rainfall. The other hydrograph displays the same general falling water table.

Niobrara River water from Norden Dam and Reservoir will reverse these downward trends. The Niobrara River water will also greatly enhance the ground water quality of the whole service area.

UNEMPLOYMENT REVERSAL---

During the 10-year construction period for the O'Neill Unit, it is estimated that private contractors and suppliers will use directly about 5,400 man-years of labor. Services for these workers (food, clothing, housing, transportation, recreation, medical service, etc.) will also add to this employment.

Annually, the operation of the O'Neill Unit irrigation system will require about 28 man-years of employment. Also, yearly, an additional 1300 plus man-years of work is expected due to the indirect stimulant in Nebraska economy resulting from increased crop and livestock production.

This employment of "job creation" is NOT a "Social Program of make-work" but rather a financial investment in natural resources of our Great America. Many of these new jobs will last forever.

WILLINGNESS TO PAY MORE---

Last year before your Committee we stated that we water users are willing to pay more to the United States. We are still willing! As stated in the attached resolutions we are willing to pay 50 percent more or increase our payments from $11.30 per acre annually to $16.95 per acre. Also, we know and are willing to pay the increased operations, maintenance and replacement costs that inflation has forced upon us.

It is to be understood that the Bureau of Reclamation can not re-negotiate these repayment contracts until the Federal Court injunction is lifted.

GREAT SUPPORT---

Our fourth major point to make today is our strong, undying support for the O'Neill Unit.

Within the North Central Nebraska Reclamation District on June 1, 1979, 1,112 voters of the 1,360 persons voting cast ballots favoring the district's repayment contract with the United States; or better than 4 to 1 in favor of development. These voters pay the reclamation district's ad valorem tax for the privilege of voting to get the O'Neill Unit built. These kinds of people do NOT sign petition against the project even when such petitions are carried around by persons paid to obtain "again" signatures.

On December 15, 1979, land owners within the Niobrara Basin Irrigation District voted their feelings concerning the contract between the irrigation district and the United States and its contract with the reclamation district. One hundred fifty two (152) land owners favored the contracts and only forty one (41) opposed; or better than 3 to 1 favored the O'Neill Unit development.

(Attached are copies of the results of these local elections.)

As further local, regional and Statewide support, we are submitting and hope you will make a part of your hearing record favorable letters, resolution and endorsements. These include:

106 Individual letters.
49 Group and/or organizational letters, resolutions or endorsements.

Please let me say in summary that the area still desperately needs the project; construction and operation of the development will decrease unemployment but won't be a "giveaway program";

we water users are willing to pay more; and the project still has great local, regional, and state support.

Should any of you have questions about the O'Neill Unit, we will be pleased to try and answer them.

Thank you.

LETTER FROM GOV. CHARLES THONE OF NEBRASKA

March 19, 1982

The Honorable Mark Hatfield
Chairperson
Committee on Appropriations
The United States Senate
1218 Dirksen Office Building
Washington, D.C. 20510

Dear Mr. Chairman:

The purpose of this letter is to strongly endorse the Administration's Fiscal 1983 budget requests for all projects involving Nebraska that are under the jurisdiction of your Committee.

Water is an issue of vital importance to the citizens of Nebraska. The wise use, proper management and conservation of water resources are essential to Nebraska's continued economic prosperity. As such, I would ask that you approve the total amount requested for water projects in Nebraska for Fiscal Year 1983.

Your favorable consideration will be deeply appreciated.

Sincerely,

CHARLES THONE
Governor

STATEMENT OF ROBERT YOUNG, O'NEILL, NEBR.

I am a farmer and live northeast of O'Neill, Nebraska.

I and my neighbors irrigate our crops from irrigation wells. In most years, we raise excellent crops, but the ground water table is declining rapidly and I wonder how long we will be able to irrigate. Last August, a livestock well 1/4 mile west of my house quit producing water. I lowered it 3 foot and it produced until October and went dry again. My Dad put the well in 30 years ago and this is the first time it has failed the family.

The ground water level is going down and we need the O'Neill Unit. Please support funding for the O'Neill Unit for fiscal year 1983.

STATEMENT OF F. D. MCMULLEN, JR., GREATER OMAHA (NEBR.) CHAMBER OF COMMERCE

We urge your support for appropriations and construction of the O'Neill Unit, otherwise known as the Norden Dam.

The future of our state is inevitably tied to agriculture. Irrigated land is extremely important to Nebraska because it will result in greater food production which will be needed in the future.

A recent study by our Chamber projects the impact of agribusiness on our metropolitan area economy to be more than $4 billion in 1982. This impact comes from all parts of the state including the O'Neill area.

Circumstances such as the recently-completed High Plains Study, point out that Nebraska must carefully manage its water resources if irrigation is to continue growing into the next century. The reservoir to be created by the Norden Dam would recharge underground water supplies.

Please give this project your support.

STATEMENT OF WILLIAM S. MATTERN, PRESIDENT, O'NEILL PRODUCTION CREDIT ASSOCIATION

I am writing to ask your support for the O'Neill Irrigation Unit.

This Association serves a four county area in North Central Nebraska, loaning money to farmers and ranchers. Beginning years ago, Directors of the O'Neill PCA supported the O'Neill Unit. Recognizing the growing importance of water resource conservation and development the Board of Directors of the Association at a recent meeting took action reaffirming support of the O'Neill Unit.

The past support shown by you and your committee for the O'Neill Project is appreciated.

Once again I respectively request your continued support for the O'Neill Project.

STATEMENT OF PAUL F. SEGER, ATKINSON, NEBR.

I would like to ask for your support on the appropriations and construction of the O'Neill Unit.

The need for such a project is very clear with the decline of the water table in the Ogallala Aquifier which would be recharged by this project as well as not having to draw on the underground water. Also, much of the water that flows from the area in the Niobrara Watershed is never used for anything.

The areas that would be affected by the Norden Dam and the O'Neill Irrigation project are in favor of building and have pledged themselves to repay the funds used. This is not a give away program. We, the people who will pay for the project will help to provide jobs for the unemployed and also help the people in our area who are already suffering from poor economic conditions.

Spending money to help Nebraskans to help feed the rest of the nation would be the far reaching effect of this project.

Again, I would like to ask you for your support, and any favorable efforts in behalf of this worthwhile project would be appreciated.

STATEMENT OF FRANKLIN K. LAMBERT, O'NEILL, NEBR.

Each year, thousands possibly up to 2 to 3 million acres of this country's most productive farmland goes into highways, shopping centers, and urban sprawl. Something must be done to improve and maintain the productivity of the remaining land if future generations are to be fed.

The Bureau of Reclamation projects have been tremendously successful in Nebraska, and even though they all look very expensive at the time they were constructed, just a few short years of inflation and population growth has made them all look like tremendous bargains.

I would appreciate your support in bringing this project to a reality as soon as possible.

STATEMENT OF RUSSELL D. MINER, O'NEILL, NEBR.

I am writing because I am concerned about two potential enormous losses to North Central Nebraska as well as the state of Nebraska and South Dakota.

1. Unless the O'Neill Unit is built and the waters of the River are put to work in North Central Nebraska, this water will be appropriated for other parts of the country and will be a loss forever for improvement of North Central Nebraska. I am also convinced that if the water is appropriated for use in some other area, it would produce no more food than it would if it had been used locally and the cost would be several times the amount it will cost to construct the O'Neill Unit now.

2. If the O'Neill Unit is not constructed, the funds generated in the Missouri River basin, a part of the Pick-Sloan plan will be diverted for other use and the funds lost for the local and development that it was intended to finance. I don't know what future use the funds can be allocated to, but I am convinced there is no other cause more worthy than water development in North Central Nebraska.

I strongly urge you to support funding for the O'Neill Unit for fiscal year 1983.

STATEMENT OF WAYNE AND JAN HOFFMAN, EWING, NEBR.

It has been a year since I have written you concerning the O'Neill Unit. One year ago we had a corn shortage and today we have a corn surplus, however, it is estimated that three million acres of farmland has been converted from agricultural use to houses, highways, shopping centers, etc. The ground water level in the O'Neill Unit area is lower than it was one year ago. Unless we act now to improve some agricultural land to make up for that which goes out of production and provide water for land without water or declining water tables, it is just a matter of time before this country arises at a real food crisis.

I believe the U. S. Government recognizes this and considers the investment in the O'Neill Unit a good investment for the future, and locally, close to 80% of the people involved in the Project area support the construction of the O'Neill Unit. The government recognizes the need and has offered to build the O'Neill Unit, the local people want the Project built, therefore, I strongly urge you to support the funding for the O'Neill Unit for fiscal year 1983.

STATEMENT OF CARROL H. MCKAY, O'NEILL, NEBR.

I wish to request your support of the proposed construction of the Norden Dam in Nebraska. My first request is for your support of the appropriations for the funding of this project. My second request is for as speedy as possible procedure in leading to and the actual construction of the Dam itself.

Recently we have seen a more favorable concept of agriculture by our government and by labor because of economic conditions. The truth of the matter is that agriculture always has been and will continue to be the backbone of our nation and its well-being. In order for our section of the nation to contribute its fair share to that cause, we must continue to produce food and fiber for our people, people of other nations and help balance United States world of trade position. To produce this food and fiber it is of the utmost importance that the farmers and ranchers of this area be insured of an adequate water supply both above the ground and in the ground. This insurance can come from only one source---the Norden Dam. I therefore, urge and request your total support of this project.

STATEMENT OF E. J. THAYER, PRESIDENT, COMMERCIAL NATIONAL BANK & TRUST CO., GRAND ISLAND, NEBR.

This is to respectfully request favorable action by you and your subcommittee on the 1983 fiscal year budget of $700,000 for the O'Neill Unit, Nebraska and the Pick-Sloan Missouri Basin Program.

We understand that Norden Dam and Reservoir will furnish high quality surface water into an area where the Ogallala groundwater aquifer is being rapidly depleted. This, we favor.

Thank you for your consideration.

STATEMENT OF EMORY BERGH, PLAINVIEW, NEBR.

I am writing to ask your support for President Reagan's budget in the area of funding for the O'Neill Unit for fiscal year 1983. I have farmed in North Central Nebraska for over 50 years, and have been involved with irrigated farming for close to 30 years. In my mind, benefits to irrigation is clear and dramatic. Without water and irrigation, North Central Nebraska cannot offer a farmer a subsistence level of existence. A subsistence level farmer is unable to contribute to the general economy or to the state and federal taxes. A vote for the O'Neill Unit is a definite step to upgrade the economic well-being of many of the farmers in the O'Neill Unit area as well as their community, the state, and the nation.

STATEMENT OF BERNARD A. SCOTT, O'NEILL, NEBR.

I am writing in support of the O'Neill Unit. I live and work in Holt County and work in 11 other surrounding counties.

The Sandhills area is growing in population and prosperity because of agriculture and our agricultural base is growing because of water. Without this very important resource, this entire area will revert back to blow-outs and sparse grass.

I feel if you gave the people of our large metropolitan areas a chance to have a large lake near them for recreation alone, they would back it all the way. WE WANT IT TO HELP GUARANTEE THE CONTINUATION OF OUR LIVING IN THIS AREA!

If Nebraskans don't make use of Nebraska water, someone else will.

STATEMENT OF MR. AND MRS. ELDON MORROW, AINSWORTH, NEBR.

It is with continued interest and concern that we support appropriations and construction of the O'Neill Unit.

We see the completion of this project as a great step forward in water resource betterment such as recharging and stabilizing ground water levels.

The use of water in this area would have a great economic impact on industrial and agriculture growth. This would greatly increase job availability. The recreational use and development would be most promising.

As long time residents, taxpayers, and business people of this area, we urge you to support this project.

STATEMENT OF ALLEN R. CHRISTENSON, O'NEILL, NEBR.

The Bureau has completed the necessary studies, made the information available to be reviewed by agencies and the public and has submitted the information to the court for a decision. It is anticipated that the lawsuit involving the Environmental Impact Statement will be resolved this spring or summer and the injunction on construction lifted.

There is strong local support for the construction of the O'Neill Unit. The attention focused on water, in the State Legislature and other governmental bodies, has created a greater sense of urgency for the construction of the O'Neill Unit across Nebraska. In hearings for the Nebraska Legislature on February 26, 1982, the business and conservation organizations in the State of Nebraska spoke out strongly for the construction of the O'Neill Unit.

I would appreciate your help in obtaining funding for the O'Neill Unit for fiscal year 1983.

STATEMENT OF LEONARD J. SCHAEFER, SECRETARY, NEBRASKA BUILDING AND CONSTRUCTION TRADES COUNCIL

The Nebraska Building and Construction Trades Council represent approximately 11,000 members in the Construction Industry in the State of Nebraska.

This will be our fifth (5th) appearance in behalf of the Norden Dam Project (O'Neill Unit). Our unemployment has not improved, in fact, conditions are worse. The unemployed people in the area have drawn all their extended unemployment benefits. Because of Reganomics, these people have had unemployment benefits, food stamps, and other Federal assistance cut-back.

We respectfully request that if there is any other funding available for our area, that the unemployed in the State of Nebraska would be very appreciative for the work they may obtain.

STATEMENT OF JAMES P. RYAN, SIOUX CITY, IOWA

In 1972 Congress authorized the O'Neil Reclamation Project and we are told that all of the studies relative to the project have been completed. Since the economy of the O'Neil area is important to our Company, we are anxious to see that this project is completed for a number of reasons.

We were instrumental in establishing a retail building buisness in O'Neil six or seven years ago. One of the main reasons the investors put money into O'Neil was the assurance that the water level of the area would be maintained at an acceptable level. At that time, the O'Neil project was moving forward and there was no reason to believe that the project would not be completed in a relatively short time, thereby assuring an acceptable water level.

Several sources have told us that the project was dying and there is reason to believe that it will not be undertaken. Certainly the O'Neil Project should be completed before other water projects are started in the state of Nebraska.

It is hard to understand why the project has been delayed for such a long period. In our opinion, this project is important to the entire state of Nebraska and the surrounding states and should go forward at once.

STATEMENT OF R. T. AMIS, PRESIDENT, MISSOURI VALLEY MACHINERY CO.

We ask for your support in favor of the funding for the O'Neill project.

The importance of the O'Neill Unit can not be minimized. There are those who have clouded the issues with claims of degradation to the land, they have called such projects inflationary. Water, probably the most wasted of all our vast resources, will continue to dwindle in supply until irrigation of our crops will be an impossibility.

The O'Neill Unit will enhance our environment and be an investment for our future. The decisions we make today will effect not only our lives but the lives of those to follow.

We ask your help by providing funding for the O'Neill project so we may all help make Nebraska as productive as she must be and conserve as much water as possible.

RESOLUTION OF O'NEILL, NEBR.

WHEREAS, the O'Neill Irrigation Unit, as part of the overall Missouri Basin Plan, was authorized by Congress with funds being appropriated to begin construction in 1972; and

WHEREAS, the O'Neill Unit will furnish irrigation water to 77,000 farmland acres, provide outdoor recreation, fish, wildlife, flood control, economic and social benefits; and

WHEREAS, the O'Neill Project will contribute greatly to stabilizing employment in surrounding areas normally deficient in career opportunities; and

WHEREAS, the O'Neill Project will benefit not only North Central Nebraska but the entire state and nation as well by increased production and income and taxation; and

WHEREAS, with the O'Neill Project, water tables and water quality can be better maintained over a wide area for years to come, thereby assuring present and future generations of ample and healthful water supplies and other benefits; and

WHEREAS, the O'Neill Unit received strong local support, evidenced by July, 1979 election results; and

WHEREAS, the objectives contained in the O'Neill Project are consistent with national water and other resource conservation policies;

NOW THEREFORE BE IT RESOLVED, that the City Council of O'Neill, Nebraska reaffirm it's support of the O'Neill Irrigation Unit, and favor appropriation of funds and construction of this project.

STATEMENT OF TOM HENDRICKS, O'NEILL, NEBR.

In regard to the Norden Dam Project, I have felt for years that this project is for the improvement of North Central Nebraska.

Water is the basis of our economy in this area. It has only been since the extensive irrigation has gone in, that this huge area has been able to increase its economic contribution to our whole states economy.

I don't believe our ground water is unlimited, therefore we must and should hold back the flow of this river and use this water for irrigation.

Our water is an asset to our area, therfore, the more we can save it and use it wisely can only increase the production of agricultured products today and in the future.

STATEMENT OF DICK MULLINS, NORFOLK, NEBR.

I am a businessman in Madison County and I am strongly for the Norden Dam Project in Holt County. The water of the Niobrara is running out of the State to be argued over by the States bordering the Missouri, as to who should be able to use or sell it. The people in Holt County are intelligent enough to keep what water is there. It is needed very badly in their area. The ground waters are fast being depleted and the Norden project would help that problem considerably.

By impounding water in a few miles of canyons on the upper Niobrara, the flow of the river could be controlled and used for irrigation as well recreation. It would replenish the ground water over the area and also could be used for generating electricity.

Water running out of the stat is forever lost. Build the Norden Dam and save our water and the futre of agriculture in North Central Nebraska.

STATEMENT OF RONALD M. SHONKA, O'NEILL, NEBR.

Water will be our most important asset as we are continually asked to stave off famin and the problems it will bring. So much of this great resource flows down the rivers into the Gulf of Mexico, and serves no purpose, only continuing a shameful waste.

Our acquifer is declining in this area, and farmers are in a severe recession. The Norden dam in Nebraska will reverse the decline of our water tables, bring cheaper food prices, and make our farm economy stronger.

Please give your support to the Norden Dam in Nebraska, so that our water resource can be channeled in the right direction.

STATEMENT OF BRADLEY D. ROWAN, SPENCER, NEBR.

I am writing in support of funding for the O'Neill Unit for fiscal year 1983. At a recent meeting in Spencer, Nebraska, the proponents of the Project pointed out that the Bureau of Reclamation has done an excellent job of controlling excess lands in the state of Nebraska. The North Central Nebraska Reclamation District and the Niobrara Basin Irrigation District are both committed to complying to the 160 acre limitation.

I am convinced that the waters of the Niobrara River should be put to beneficial use in Nebraska, and I believe that they should benefit small family farms and not large corporations. I see the O'Neill Unit, the acreage limitation, as the only hope to break up large corporate farming in Holt County and return the land to the small farmer.

STATEMENT OF PAUL POESSNECKER, ATKINSON, NEBR.

We need the Norden Dam!

Dams in many and various parts of our United States have been of great benefit to countless citizens. They have preserved life, health, and made a way of life for many people.

At the present, there are those who would be without a home or a job without the benefit of water and natural resource conservation.

People in the years ahead will wish senators and others had had the foresight to save the water that is draining away down the Niobrara, Missouri, and Mississippi rivers into the Gulf of Mexico.

Support the Norden Dam Project!

STATEMENT OF RON SKRDLA, NEBRASKA

We are for the Norden Dam Project. Our livelihood is farming and our greatest resource is water but with the amount of water being used each year more and more wells are going dry. While this is happening the water that could be replenishing it, is running down the Niobrara River.'

We feel that the Norden Dam is necessary. We must have the water it will supply for farming and the recharge for our ground water to insure a future for agriculture in North Central Nebraska.

It seems we have a few people making a lot of noise, because they want the river for recreation. But their livelihood doesn't depend on water for irrigation, ours does. We are talking survival of the families in this area. If we loose our water for crops, we're done. We would have to go back to dryland farming and it wouldn't pay the taxes on most of this ground.

STATEMENT OF CLYDE E. BURDICK, PRESIDENT, NIOBRARA RIVER BASIN DEVELOPMENT ASSOCIATION

The Niobrara River Basin Development Association has its membership from all parts of the River Basin. It was formed in 1946 and has supported the plans to develope the O'Neill Irrigation Project since it was planned and found feasible by the Bureau of Reclamation.

The project is needed to stabilize the economy of the area, to provide employment for our people, to provide recreational opportunities, improve Fish and Wildlife Habitat, and, above all, help to maintain the agricultural food supply lifeline for America.

Agriculture plays a very important part, in both the local and the National economy. Recent reports indicate that last year agricultural exports made up more than twenty per cent of the total exports of the Nation. Much of this comes from the irrigation projects of the west. Without water from the O'Neill Project, and others like it, the west will not be able to continue to meet the food demands of the Nation or abroad.

We believe the O'Neill Project is well planned, it has been proven feasible by the Bureau of Reclamation and by the people on the project lands who will share generously in the repayment of the project costs.

The construction process has been delayed by court action as the result of objections by hard core environmental organizations, Sierra Club, National Wildlife Federation and others who seem to oppose any project that would utilize Land and Water Resources.

The delays have added many millions of dollars to the project costs which the water users will now have to pay.

We urge you to support appropriations for this worthy project so that construction can get underway at the earliest possible date.

STATEMENT OF DAVID VAN METRE, VICE PRESIDENT, THE FIRST NATIONAL BANK OF SPRINGVIEW, NEBR.

Representing the First National Bank of Springview, Nebraska, I would like to express my opinion concerning the Norden dam and associated O'Neill irrigation project. I would like very much to see the tremendous potential of this project harnessed and put to use in the area. Aside from conserving this natural resourse, the creation of all business activity and jobs connected with a project such as this would be a great and needed incentive to stop the out-migration of our young people.

RESOLUTION OF NEBRASKA LAND IMPROVEMENT CONTRACTORS ASSOCIATION

WHEREAS, the need for water projects in Nebraska is well documented; and

WHEREAS, great benefit is derived for all citizens of Nebraska from established water projects; and

WHEREAS, those projects result in great benefit to wildlife habitat in most every instance and

WHEREAS, there is need for many more water storage and utilization projects in Nebraska and

WHEREAS, as Gov. Thone has given his whole hearted support of the project, the Association commends Gov. Thone for his enthusiastic support and

BE IT FURTHER RESOLVED that the Nebraska Land Improvement Contractors Association expresses it's support to this project, and encourages those officials responsible for it's contruction to proceed with haste to complete this project.

BE IT FURTHER RESOLVED that copies of this resolution be sent to the Governor of Nebraska, The Nebraska Congressional Delegation in Washington, the Director of the Natural Resources in Washington, the Director of the Natural Resources Commission, the Director of Water Resources, and the Director of the Nebraska Water Resources Association.

CERTIFICATIONS OF HOLT COUNTY, NEBR., RECORDS

Results of a Special Election held December 15, 1979

Niobrara Basin Irrigation District

PROPOSITION: For approval of contract for water supply.

Yes-126
No-43

I hereby certify that the foregoing information is an accurate copy of Holt County Records.

Witness my hand and seal this 25th. of March, 1982.

SEAL

Gary Devall
Holt County Clerk

Results of a Special Election held June 1, 1979

North Central Nebraska Reclamation District

PROPOSITION: For the water service and operation and maintenance of water supply works contract.

Yes-1294
No-385

I hereby certify that the foregoing information is an accurate copy of Holt County records.

Witness my hand and seal this 25th. of March, 1982.

SEAL

Gary Devall
Holt County Clerk

Letter From Lee Orton, Executive Director, Nebraska Association of Resources Districts

March 12, 1982

The Honorable Mark Hatfield, Chairman
Committee on Appropriations
The United States Senate
1322 Birksen Office Building
Washington, D.C. 20510

Dear Senator Hatfield:

This letter is written to reaffirm our support for appropriations and construction of the O'Neill Unit in Nebraska.

Attached hereto is a copy of a resolution adopted at our Association's Conference the first week of February, 1982. The resolution reaffirms a long-standing position of support for the project initially adopted by the membership of the organization in 1973.

Nebraska's indeed fortunate in being blessed with a good resources base of land and water to support a stable and successful and agricultural economy for the future. In order to properly utilize those resources, storage projects providing general benefits to the area and many secondary benefits to the whole state's economy are essential.

We would appreciate your support of the completion of this most important project.

Respectfully,

Lee Orton
Lee Orton
Executive Director

RESOLUTION REGARDING
O'NEILL UNIT

Adopted by
Nebraska Association of Resources Districts
February 2, 1982

WHEREAS, water in the State of Nebraska is acknowledged as one of the most valuable resources of the State, and

WHEREAS, the State of Nebraska has on the average approximately 1 million acre feet of water running into the state and approximately 7 million acre feet running out of the state, and

WHEREAS, water impoundment when and where possible is one way to assure a supply to serve a wide range of beneficial uses of water for the State and its citizens, and

WHEREAS, the Natural Resources Districts of the State of Nebraska were established to protect, manage and develop the State's natural resources, and

WHEREAS, the Districts and their Nebraska Association of Resources Districts since inception have supported impoundment as appropriate means to protect, manage and develop the water resources of the State, and

WHEREAS, the O'Neill Unit as proposed will provide a 6,300 acre reservoir, which will store 416,000 acre-feet of water for beneficial use in Nebraska, and

WHEREAS, the O'Neill Unit will also provide groundwater recharge for approximately 22,000 acres of land.

NOW THEREFORE BE IT RESOLVED that the Nebraska Association of Resources Districts in conference assembled do hereby reaffirm their continued support for the O'Neill Unit, and

BE IT FURTHER RESOLVED that the Association encourage all elected officials of Nebraska to continue to strive for optimum support of the O'Neill Unit.

STATEMENT OF JAMES FALK, O'NEILL, NEBR.

We once again solicit your support for the Norden Dam project in North Central Nebraska.

Thank you for any support you have given the project in the past and please be confident the project is supported by the majority of Nebraskans.

STATEMENT OF LINUS L. TUMBLESON, DIRECTOR, AGRICULTURAL DEVELOPMENT, BURLINGTON NORTHERN RAILROAD

Burlington Northern Railroad continues to be a strong supporter of the O'Neill Irrigation Unit.

In 1978, we decided to upgrade the Laketon to O'Neill, Nebraska 124.5 mile branchline to handle jumbo grain hoppers instead of abandoning the route. The decision was made following a study of the agricultural potential of the area served by the line. With the well irrigation underway at that time, further well expansion and the knowledge that in 1972 the O'Neill Unit had been authorized, the rehabilitation was started.

When the work is completed in 1982, $8,700,000 will have been spent to save one of Nebraska's branchlines.

There are also four elevators which have constructed trackage to load 54-car trains on the line, three with trackage under construction and others in various stages of planning.

To insure the economic viability of the area and justify the financial committment of the companies and farmers who have made an investment in the area we strongly support funding the O'Neill Unit.

STATEMENT OF JOHN C. WATSON, PRESIDENT, THE FIRST NATIONAL BANK, O'NEILL, NEBR.

We continue to support the O'Neill Unit and urge your subcommittee to support appropriations for the construction of the O'Neill Unit. Water conservation continues to be a major problem in the Midwest as well as the United States as a whole. Even though we in this area of Nebraska have been blessed with good underground water, we are very concerned about it's recharge. The water from the O'Neill Unit will recharge and stabilize our groundwater level as well as provide irrigation water for many acres that are now dryland.

We will appreciate any assistance you and your subcommittee can provide for the continued funding of the O'Neill Unit. This project is vital to the economy of this area, this state, and to this nation.

STATEMENT OF JIM MAHONEY, REPRESENTING THE NEBRASKA FERTILIZER & AG-CHEMICAL INSTITUTE, INC.

My name is Jim Mahoney and I represent the 800-Member Nebraska Fertilizer and Ag-Chemical Institute. The Institute is made up of fertilizer dealers, manufacturers and salesmen as well as ag-chemical manufacturers, dealers and salesmen across Nebraska. I also serve on the Board of Directors of the Institute and am from Genoa, Nebraska.

On behalf of our membership, I am here to strongly support Legislative Resolution 202, and want to express the support of the Norden Dam Project, based on a unanimous RESOLUTION passed by our Institute.

Agriculture in Nebraska is no longer the number one economy of the state, but is the base of all other economies in Nebraska. Evidence of the recent low prices for all farm commodities, it is clearly evident that all other industries are suffering. Forward thinking conservation of water, and the under-ground recharge of water that will result from the Norden Project are primary reasons for our support. We need to look at crop production and new technology in order to progress with the agricultural and agri-business sector.

Thank you for letting me appear before you today. If you have any questions, I will be happy to answer them

STATEMENT OF ANNE C. RUSSELL, EXECUTIVE VICE PRESIDENT, NORFOLK (NEBR.) CHAMBER OF COMMERCE

I am Anne C. Russell, Executive Vice President of the Norfolk Chamber of Commerce, on whose behalf I am speaking today. On June 23, 1980, the Board of Directors of the Norfolk Chamber of Commerce adopted a resolution fully supporting the O'Neill Unit as proposed and urging its early development. We have communicated that position on a number of occasions to Nebraska's Congressional delegation and to others.

Our membership consists of 563 businesses, professionals, and individuals in Norfolk. We are the advocate for Norfolk's economic community. Inherent in that is a concern for the economic well-being of our entire area, along with the knowledge that we need to plan carefully for economic growth in the future. There is no compelling reason for our businesses to be involved in the dialogue about the O'Neill project. Except, that the success and growth of our economy relies greatly on the health and well-being of North Central and Northeast Nebraska. While we've been very successful in diversifying our economic base by creating more jobs in manufacturing, we recognize that our #1 source of jobs continues to be trade, both retail and wholesale. And our position as a trade center for Northeast and a portion of North Central Nebraska rests firmly on the agricultural base in our area. Indeed, without agriculture and the income it generates, Norfolk would not survive.

In this area, there is a growing impact from crop and livestock production. The Elkhorn River Basin produces nearly one-half of Nebraska's beef and pork. That livestock production is, of course, dependent on an adequate supply of feedgrains. Nebraska's abundant supply has allowed it to challenge Texas as the top producer of beef.

Water, and its availability, is the critical factor in the production of feedgrains and livestock. As more and more farmers attempt to increase crop and livestock production to meet world demands, they must rely increasingly on irrigation.

A study by the U.S. Geological Survey and University of Nebraska shows that between 1957 and 1976, there has been a decline in the groundwater levels in the Upper Elkhorn area, in some places a decline of up to 25 feet. The High Plains Ogallala Aquifer Study suggests that there are some irrigated lands now in Nebraska which will return to drylands. We know that if there isn't enough water for agriculture, the first priority, there won't be enough for our manufacturers or other business or urban use. The solution to this potential problem needs to be a combination of sound groundwater management and surface water development. The O'Neill Unit addresses both those needs.

More immediate than the long-range impact that the O'Neill Unit will have on the growth potential for agriculture in North Central and Northeast Nebraska is the need for economic development in the North Central Region. In December, 1981, the Bureau of Business Research at the University of Nebraska-Lincoln published a report on the "Demographic and Economic Characteristics of North Central Nebraska." That study reveals that North Central suffered a 1.3% loss in population in the 1970's, while the remainder of the State grew 5.7%. Even those counties in the region in which population increased, including Brown, Holt and Rock, the growth was less than the statewide average.

Total personal income also rose less than the statewide average in both the farm and nonfarm areas. Retail sales followed the same trends in the '70's.

The Bureau of Business Research concludes by saying the North Central Region was somewhat less affluent than the remainder of the State. In fact, it is still struggling to reach its 1973 level of per capita personal income in real dollars. And that status is projected to continue. This region ranks last in anticipated economic growth.

Construction of the O'Neill Unit will have a dramatic positive impact on the area's growth potential. First of all, it will pump millions of dollars into an economy that has consistently lagged behind the remainder of the State. And secondly, it will strengthen the base for long-term growth by sustaining the expansion of agriculture in North Central and Northeast Nebraska. In turn, this will invigorate the economy of our community, its trade, manufacturing, finance, professions, etc.

But more importantly, in the final analysis, it will guarantee that there will be an economic future for North Central and Northeast Nebraska. That future rests on our managing it well today through the implementation of sound ground and surface water development projects.

The Norfolk Chamber of Commerce urges the Nebraska Legislature to support the speedy construction of the O'Neill Unit.

Thank you for this opportunity to present our views.

STATEMENT OF RICHARD F. AND MONA D. BARBER, GRAND ISLAND, NEBR.

We believe the O'Neill Unit is a very good investment both from the local and national standpoints. We heartily recommend that your subcommittee include funds in the 1983 budget for construction of this worthwhile project.

Although our farm in Rock County is not situated near enough to the O'Neill Unit to receive irrigation service, we are pleased that others in the area will receive the benefits from this valuable resource development.

The long term benefits from the O'Neill Unit will assist in stabilizing a productive economy for farmers and merchants. In the long run the national and local governments will benefit through a better tax base and higher taxable incomes.

STATEMENT OF MRS. RAYMOND MIKLOS, AINSWORTH, NEBR.

I am writing in support of the O'Neill Unit and the Norden Dam. North-central Nebraska, as well as the whole state of Nebraska and surrounding states, will benefit from stimulation of their economy, irrigation water, recreation, fish and wildlife, and groundwater recharge.

I would very much appreciate your support in Congress.

Thank you.

STATEMENT OF STATE SENATOR MAURICE A. KREMER OF NEBRASKA

Nebraska's future economy continues to be of great concern to many of us in the State of Nebraska. In many ways it is unfortunate that our state resources are rather limited. However, Nebraska does have a pretty generous supply of both surface and ground water. Nevertheless we are depleting our ground water supply and overappropriating our surface water supply to the extent that we are facing a rather uncertain future, largely because we are so dependent on this, our only resource other than our land. Therefore it is imperative that construction of the Norden Dam and other impoundments be continued.

Thank you much for your consideration of this project, which is so important to the State of Nebraska. Our Public Works Committee has spent much time and effort on the management and development of our water resources. As Chairman of the committee, I wish to go on record in strong support of the building of the O'Neill unit.

STATEMENT OF CLARENCE A. LEWIS, JR., GRAND ISLAND, NEBR.

This statement is in support of the O'Neill Unit and a request for your favorable consideration of appropriation of adequate funds to get this project moving toward completion.

The project is greatly needed. Irrigated agriculture is the backbone of Nebraska's economy. Studies by the University of Nebraska show that 7 to 10 dollars of new business activity can be expected for each dollars' worth of new irrigated crops produced.

Part of the lands to be irrigated by the project do not have an aquifer adequate for well irrigation development. Some of the lands to receive project service are in an area with much well irrigation. Overdevelopment of the groundwater has occurred. Groundwater levels are declining steadily in an aquifer of limited depth. Bureau of Reclamation studies show that when the project is in operation, groundwater levels will be stabilized in an area much larger than that to receive direct project service. This will prevent the economic calamity of eventual return to dryland agriculture.

Because of lowered groundwater levels, outflow from the aquifer is declining and groundwater quality is beginning to suffer. Studies of this situation show that without some positive action the groundwater quality will continue to deteriorate until the water is unusable for domestic or agricultural purposes. Maintenance of groundwater levels by the project will stabilize groundwater outflow to the streams, thus maintaining the groundwater quality at an excellent level.

Because of substitution of surface irrigation for some present groundwater development and maintenance of reasonable groundwater levels, energy use for well irrigation in the O'Neill-Atkinson area will be less with the project than without it. Considering all energy requirements, the project will be energy conserving.

As detailed in voluminous environmental impact statements, some modest environmental damage will occur. In balance, considering the positive impacts such as maintenance of domestic water supply quality for a large area, the project will enhance the human environment of the area.

Many real benefits of the project such as maintenance of groundwater quality are not considered in the economic analyses for the project. Their quantative evaluation would be difficult but they should not be cast aside in any consideration of project feasibility.

I respectfully request the support of you and your committee for the appropriations for the O'Neill Unit.

STATEMENT OF LARRY SHEPPERD, PRESIDENT, NORTH CENTRAL NEBRASKA RESOURCE CONSERVATION DEVELOPMENT AND PLANNING COUNCIL

The North Central Nebraska Resource Conservation & Development (RC&D) Council realizes the future benefits of a project such as the O'Neill Unit to our area in north central Nebraska and whole-heartedly endorses it. This letter is to encourage you to support continued funding of the Unit in upcoming appropriations legislation.

One of our Council's objectives is to promote the beneficial use of the area's ground and surface water resources. The O'Neill Unit will reverse the existing and future groundwater mining of limited water resources in the Keya Paha and Holt County service areas...underground water which is either declining, deficient or non-existant.

Construction of the O'Neill Unit will have far-reaching benefits to Nebraska's economy and general well being. Tax bases will be improved for local county governments' operations. Increased tax bases from sales and personal income will benefit the people in the state and nation.

The irrigation development made possible by the O'Neill Unit would create new employment opportunities for the area's young people. It would also provide a much-needed recreational facility in north central Nebraska in the Norden Dam reservoir.

We Nebraskans need to fully utilize our water resources while diligently employing management systems that reduce consumptive uses and conserve the resources. The O'Neill Unit will impound and provide water for use within the basin which otherwise would be lost to the watershed and Nebraska.

Soil and water conservation and development issues that become involved in partisan politics do not serve the best interests of the people. Citizen input is vital and necessary to resource development. It is very evident, from our observations, that several citizen groups have not had the best information in forming opinions about construction of the O'Neill Unit. If the citizenry is not well advised and informed, their input cannot serve the best interests and benefits of the general public.

We would also like to bring to your attention the recently-released Bureau of Reclamation's Appraisal Report on the Sparks Unit in western Keya Paha County, Nebraska. The report did not recommend further investigation of the 17-35,000 acre unit at this time due to current economic evaluation procedures. However, because of the close proximity of the Sparks Unit to the Norden Dam site, the Council would encourage expansion of the O'Neill Unit to include the Sparks Unit service area if at all possible. We would not want this recommendation, however, to be used in any way to delay or further hamper prompt construction of the O'Neill Unit.

We appreciate your consideration of support for this vital resource development.

STATEMENT OF EVERETTE E. COPES, AINSWORTH, NEBR.

The O'Neill Irrigation Unit deserves your continued support at the Appropriations Hearings.

I have supported this, and all the other Missouri River Basin projects, since inception in 1953 following the Bureau of Reclamation comprehensive investigation of land and water resources of the Niobrara River Basin.

Although now retired from active business life, I have been continuing to express my interest in preserving the future of agriculture in North Central Nebraska for future generations by supporting the O'Neill Project.

There is not, nor should there ever be, any question as to the validity of the projects feasibility. It will follow the same stabilizing effect for Nebraska that the Ainsworth Unit has demonstrated.

I sincerely hope that you will continue to support the project.

RESOLUTION OF NEBRASKA STOCK GROWERS ASSOCIATION

WHEREAS, Water is one of Nebraska's most precious natural resources; and

WHEREAS, each year many thousand acre feet of water flow out of the state via our rivers and streams; and

WHEREAS, much of this water could be put to beneficial use within the state, both for surface irrigation and to recharge ground water supplies;

THEREFORE BE IT RESOLVED; every reasonable effort be made to impound and retain such water as may be utilized by the people of the State of Nebraska; and

BE IT FURTHER RESOLVED; that the Nebraska Stock Growers Association strongly support the two remaining Reclamation Projects in the State of Nebraska: the Twin Loup and Norden Dam projects.

STATEMENT OF SHORTY MILES, MILES PUBLISHING CO., O'NEILL, NEBR.

We here in Holt County Nebraska need the O'Neill Unit. We urge your continued support for this very fine water project. The High Plains study shows that most areas of Nebraska will be better off than our neighboring states. However Holt County is one area that is and will continue to , expierece water decline.

Farmers throughout the entire area have had to deepen their stock wells due to the decline of the water table. We need supplemental water, we need the O'Neill Unit.

Lets get the O'Neill Unit built. The enviromentalists have delayed this project long enough. They have added millions to the cost of the project thru their delaying methods. These people should be responsible for the additional cost to the project.

STATEMENT OF D. C. EVANS, SPRINGVIEW, NEBR.

I am once again writing to express my support for funding of the O'Neill Unit during the next fiscal year.

As has been repeatedly demonstrated through elections, meetings, letters, etc. the vast majority of the general public of the entire area to be affected have continued to support this project. The evidence of the benefits that would accrue to North Central Nebraska, to the State of Nebraska and eventually to our Country as a whole through the construction of this project have been clearly demonstrated.

As you are aware this project has received as much as if not more study, discussion, consideration, etc. than any similar project in history. It has not been found wanting. It is time we got on with its construction.

Thank you for the support your committee has given the O'Neill Unit in the past.

STATEMENT OF ROBERT B. CROSBY, LINCOLN, NEBR.

My unqualified support for the O'Neill Unit and for appropriations to accomplish its construction are expressed by this letter.

The best interests of not only Nebraska but of this nation will be served by the O'Neill Unit and similar water resource developments. I base this opinion on over 40 years of law practice involving impoundments of water for irrigation beginning in 1937 with the Platte Valley Public Power and Irrigation District. Also a basis for the above opinion is my experience as Governor and Lt. Governor of Nebraska, and as speaker and member of the Nebraska Legislature.

Sharing my opinion of the O'Neill Unit are the Governor of Nebraska, the Director of the University Conservation and Survey Division, the State Director of Water Resources, the State Director of the Nebraska Water Resources Commission and all of the Agricultural Associations of Nebraska.

STATEMENT OF WERNER POESSNECKER, ATKINSON, NEBR.

Your interest and attention is respectfully requested.

We need the Norden Dam very much. We need our underground water supply recharged to keep our existing wells from going dry. The Norden Dam would definitely solve this problem.

The Norden Dam would make a paradise for wild life.

Do the opposition signatures from outside the Norden Dam territory show the true picture or are these signatures the work of a few vicious and wealthy organizations? I am positive the latter is true.

Let us conserve our most valuable resource ---- water.

Let us not have our water wasted by going down into the Gulf of Mexico.

Help Nebraska and our nation; support the much needed Norden Dam.

STATEMENT OF J. B. GRADY, PRESIDENT, O'NEILL (NEBR.) NATIONAL BANK

It is our understanding that the Committee will meet soon in regard to the appropriations for the O'Neill Irrigation Unit.

We Believe that the O'Neill Unit will bring many benefits to this area and also to the State of Nebraska. Not only through irrigation, flood control and recreation, but from also bringing a more stabilized economy, that will encourage our young people to stay in farming.

We have financed considerable irrigation through self propelled systems using wells, and many of these customers are reporting their water levels dropping each year. We need to recharge our ground water, and this project would take care of a large part of this area.

Any help and assistance that you can render to us in getting the necessary funding for the O'Neill Unit will be greatly appreciated.

STATEMENT OF RICHARD C. GRAYSON, PRESIDENT AND CHIEF EXECUTIVE OFFICER, BURLINGTON NORTHERN RAILROAD

Since 1972 the Burlington Northern has given its full support to the O'Neill, Nebraska irrigation project. We believe that continued development of this project is essential to the economic health of the region, and we encourage you to vigorously support its funding.

We at Burlington Northern have invested in the future of the O'Neill area. In 1976, after reviewing the irrigation potential in the area to be served by the O'Neill irrigation unit, Burlington Northern decided to upgrade the 124.5 mile branch line from Laketon to O'Neill, Nebraska. When the work is completed in 1982, we will have spent $8,696,000 in rehabilitating a major Nebraska branch line. Our decision encouraged several grain companies to make major investments in on line storage facilities for the grain produced in the area.

Test wells in the area are recording the drawdown of the groundwater in the area leading to increased pumping costs and a reduction in acres irrigated from wells. The O'Neill unit is needed to assure a reliable water supply, to protect the investment and to insure the economic future of the area.

STATEMENT OF E. W. DAVIS, AINSWORTH, NEBR.

Our underground water supplies are gradually being depleted. If Nebraska continues to grow, this depletion will increase to the point of disaster.

The only source of additional water is from the 120 million acre-feet of water that falls as rain annually in the state of Nebraska, over which we have no control.

We can control and use 30 million acre-feet of this water, that is excess runoff, creating our floods and erosion.

The only way this can be done is by building dams and canals to hold and distribute this water when and where it is needed within the state of Nebraska.

Other states are clamoring for this excess water and they will get it if we do not establish our prior use.

The need for the Norden Dam and the Loup River project have already been established and authorized. Let's get behind these projects and push for their completion before it is too late.

STATEMENT OF TERRY M. LINDSTROM, PRESIDENT, O'NEILL HOME CENTER, INC., O'NEILL, NEBR.

Being in business in O'Neill for the past 6 years and reading every day of concerns over the declines in the water level and the need for water storage in Nebraska and the surrounding states --

Why do we procrastinate while the ground water level declines and the contamination of water raises?

With a dependable supply of water for O'Neill Unit Reclamation Project from the Niobrara River which annually discharges more than 1.1 million acre-feet of water out of the state into the Missouri River.

And whereas the O'Neill Unit reclamation Project was authorized for construction by the United States Congress in 1972. And all the studies are complete. Now is the time to get going.

If we allow this project to die then we will have determined that we don't need to go any further toward building any other water projects in Nebraska.

STATEMENT OF LEONARD J. SCHAEFER, SECRETARY, NEBRASKA BUILDING AND CONSTRUCTION TRADES COUNCIL

The Nebraska Building and Construction Trades Council represent approximately 11,000 members in the Construction Industry in the State of Nebraska.

This will be our fifth (5th) appearance in behalf of the Norden Dam Project (O'Neill Unit). Our unemployment has not improved, in fact, conditions are worse.

The unemployed people in the area have drawn all their extended unemployment benefits. Because of Reganomics, these people have had unemployment benefits, food stamps, and other Federal assistance cut-back.

We respectfully request that if there is any other funding available for our area, that the unemployed in the State of Nebraska would be very appreciative for the work they may obtain.

Statement of Jack Henderson, President, O'Neill (Nebr.) Area Chamber of Commerce

We, the O'Neill Area Chamber of Commerce, feel that the O'Neill Unit, or Norden Dam Project, is still very feasible and necessary for the continued growth of the O'Neill Area and ask that you vote for continued funding.

The Norden Dam Project is considered necessary for the growth and future subsistence of Northern Nebraska. As you know, agriculture is Nebraska's largest industry and many tax dollars support numerous projects throughout the state. If our agri-community is to be productive in the future, it will take quality water in a quanity necessary to support plant life enough to supply our ever growing population before there is a real shortage of food goods.

The project would be stablizing the ground water and also providing water availability to irrigable land.

This project would also add a 70 mile shoreline which would provide an outstanding recreational lake.

On behalf of the O'Neill Chamber of Commerce, we want to thank you for your time and hope that you vote for continued funding of the Norden Dam Project.

Statement of Leonard Jungman, Chairman, Holt County (Nebr.) Board of Supervisors

As Chairman of the Holt County Board of Supervisors, I wish to express their continuing support of the O'Neill Unit. The irrigation, recreation, flood control, fish, wildlife, social and economic benefits of this project continue to make the benefits far outweigh the costs.

With this in mind, the Holt County Board of Supervisors request your support of the appropriation necessary to make this project a reality.

The sooner the Better!

Thank You.

STATEMENT OF FRED L. AND SHARON SWETT, AINSWORTH, NEBR.

We feel that we must write and let you know our feeling in regard to the Norden Dam-O'Neill irrigation project here in north cenral Nebraska. This project is coming up for appropriation hearing on March 23, 1982. We need to build that water project! Our water is the most valuable natural resource we have in this country. We should be good stewards and build this dam which would be located in the most advantageous place to help recharge the Ogallala water formation. As you surely know this formation is the largest good water formation in the world and it is in trouble. Another thing; if we can feed and giveaway to the Communists and third world nations the amounts like we have been, at the tax payers expense we better start doing some things at home before we can't do anything for anyone!

Also I like what our President is trying to do, for the most part. We do need lower interest rates and a price for agriculture production that reflects cost plus a little profit. Help Us!

STATEMENT OF MARVIN ZISKA, O'NEILL, NEBR.

Why let water run off into the Gulf of Mexico? Dams for flood control have already been built up and down the Missouri. The Norden Dam would help control big spring runoff to help the flood situation as well as hold water for the months when there is no big runoff and build up ground water instead of pumping more and more each year. Now Boyd County has come into Holt County and is pumping more of our water away.

If the Norden Dam is bad because there is too much corn now--then why not pass laws and just shut down all irrigation systems and alleviate both problems. Save water and produce less corn. (Now that would be real SMART, wouldn't it)? About as smart as not developing any water projects on the Niobrara River and letting some other development take our water to Oklahoma and Texas and then where would we be?

I understand the Norden Dam is a part of the Pick-Sloan Plan. There is concern about the dollar return ratio on the cost of the dam. How is the return ratio on all the other projects built in the Pick-Sloan Plan? Is the payback that good in some like Papio, etc.?

Also if there had been no delay in the Norden Project it would be built by now at the original cost and be returning money. All the wild and false claims by the opposition have stalled the project until the cost has skyrocketed. Now after all the delay the claims have been proven just what they were--false--so now the big cry is the cost. So whose fault is it that the cost is so great? They caused the delay!

So in closing I would like to ask you, as a resident who has spent his 52 years in Holt County, to please consider this project carefully.

It gets my ire aroused when I hear so and so from Colorado or California or Iowa or wherever is opposed to the Norden Dam. What does he know about our needs any more than I know about his. If in 5 or 10 years we have a severe water and food problem it will be a bit late to think about the Norden Project.

STATEMENT OF DAVID H. AND CAROLYN F. HUGHES, AINSWORTH, NEBR.

I feel it is time to let you know my feeling in regard to the building of the Norden Dam-O'Neill irrigation unit in north central Nebraska. We need this project built! The people of this area will repay the loan needed to build this project by taxes and direct payments generated by the project its self. I am provoked when the enviromentalist and other self-interested people talk so much about what the project is going to cost the Gov't. What makes me angry is the taxpayers money given away every year to Nations that would bury us if they could, and will never pay it back.

Do something for our future! Fund the O'Neill Project. We need that valuable water now and for the future.

STATEMENT OF JOHN A. HARLING, VICE PRESIDENT, AGRICULTURE COUNCIL, GREATER OMAHA (NEBR.) CHAMBER OF COMMERCE

SUMMARY

The Agriculture Council recommends to the Board of Directors that the Greater Omaha Chamber of Commerce reaffirm its position of support for the O'Neill Irrigation Project better known as the Norden Dam or any project that the Bureau of Reclamation determines through study that would accomplish the same objective and be more cost effective without undue delay to the project.

BACKGROUND

In 1967 the chamber took a position in support of the Norden Dam concept. The project was subsequently authorized in 1972.

During recent years the chamber's support has been solicited regarding federal appropriations and the continuance of the project. In view of the opposition which is primarily generated by environmental groups and the fact that 14 years have elasped since the chamber position was taken, it was decided to review that position.

The Water Issues Task Force of the Agriculture Council devoted two meetings to the Norden Dam subject. At one meeting an opponent from the Save The Niobrara Association spoke and enumerated reasons for opposing the project. At another meeting a representative from the Nebraska Water Resources Association spoke in favor of the project. The task force voted to continue support of the project and so recommended to the Agriculture Council Executive Committee.

Recently a compromise agreement was reached by Representatives Virginia Smith and Douglas Bereuter; the latter has opposed the project. This compromise calls for a continuation of the project with a significant reduction in funding for the 1982 fiscal year. In turn the Bureau of Reclamation will undertake a study of possible alternatives which would accomplish reclamation of water resources in the area to be served by the proposed dam.

The Agriculture Council believes in the complete development of Nebraska's water resources and that the Norden Dam should continue as an authorized project unless the Bureau of Reclamation determines that there is available a less costly alternative without further delaying the project.

STATEMENT OF GWYNETH L. TYLER, AINSWORTH, NEBR.

I am Gwyneth Tyler, Ainsworth, Senior Senator from Dist. 43. This locality has been my home for oVer 60 years, and I have been very active in community affairs. I was associated with the Ainsworth Star Journal for over twenty years and also spent 25 years teaching in the county and city schools. I support the appropriations and construction of the O'Neill Project.

In our area of Nebraska, irrigation is very important to the agriculture industry and has a very definite economic impact on our area and the state.

In my opinion, water placed on the surface through the canals is conserving much more of the water than when placed on the land by sprinkler systems.

Since Merritt Dam was built south of Valentine, many more of our young people have remained in our community. In fact over 28% of the irrigating farmers are young people and this is true for the first time.

I feel the Norden Dam would furnish more recreationfor a greater number of people than the 19 mile stretch of the Niobrara River that is to be inundated. Water in excess in the river is a wasted resource that we cannot afford to ignore.

This project was not an idea developed by politicians to help them get reelected. Quite the opposite is true. This project originated with the local people themselves (NebrasKans). We get a little provoked when people talk about how much the project is going to cost the Government because the local people repay the loan by direct payments and increased taxes generated by the project.

Your support will be appreciated.

RESOLUTION OF NEBRASKA LIVESTOCK FEEDERS ASSOCIATION

SURFACE WATER USAGE

WHEREAS, the efficient use of water is of paramount importance to all citizens of Nebraska; and

WHEREAS, millions more acre feet of water leave the State of Nebraska than enter our state each year;

THEREFORE, BE IT RESOLVED that the Nebraska Livestock Feeders Association supports and encourages the impoundment and most efficient re-use of surface waters in the State of Nebraska.

BE IT FURTHER RESOLVED that the Nebraska Livestock Feeders Association strongly supports the two remaining Reclamation Projects in the State of Nebraska, the North Loup and the Norden Dam projects.

STATEMENT OF C. R. HILL, O'NEILL, NEBR.

The following are reasons why I support the construction forthe Norden Dam to provide water for the O'Neill Irrigation Unit.

With the project there can be 180,000 ac of irrigated corn in Northern Holt Co., over a long period of time, compared to a maximum of 90,000 ac. without the project. U of N data 1970 to 1981 Holt Co. dryland corn yield 38 bu. per ac. Irrigated corn yield 120 bu per ac., averages.

Conclusion: The financial risk of raising corn is reduced by irrigation and irrigation will be stabilized by the O'Neill project.

Some opponents claim that the channel of the Niobrara will dry up below the dam, depriving livestock of water and killing the fish. This is untrue. Water will be discharged through the dam to maintain an adequate amount for both purposes.

Some opponents have said it will destroy the natural ecology of the river, and will destroy the wildlife. Quite the opposite! Smith Falls will not be harmed, but better access roads will make them available to more people. The ecology of a merging of the east and west in plants and wildlife stretches from west of Valentine to east of Bassett; and the dam will affect only a small percent of that length, but again, will give better access to the area. The dam will create a body of water that will be unique in the State of Nebraska, in that it will support cold water fishing. The 6,300 ac lake with 70 miles of shore line will create a sportsman paradise that will draw sportsmen from a very large area.

Even though opponents have been successful in delaying this project, resulting in higher costs because of inflation; the cost-return ratio is one of the best of many projects that have been previously constructed. Increased revenue generated by sustained irrigation vs. dryland or rangeland economy will create and maintain a tax base that will return benefits to the Federal Government. This is also true of the increased volume of agri-business, newly developed recreational business and other related businesses. These increased tax revenues coupled with the repayment policy of the project means that this is far from a give-away program.

STATEMENT OF HOMER C. BLANK, AINSWORTH, NEBR.

Reference the Norden Dam or better known O'Neill Reclamation Project.

I am one of the silent majority in FAVOR of this project.

As a life time resident of Brown County, Nebraska in the heart of the project area I wish you to know that we who are directly affected by the Norden Dam are in favor of it as opposed to the so called environmentalists who have never seen the proposed impoundment area nor do they live within hundreds of miles of the area.

This is a project that will benefit many thousands or hundreds of thousands of people, will benefit agriculture in general and recreation and business interests alike.

This project has a chance of repaying the original costs and at some time in the future of showing a profit as opposed to the millions of dollars now being spent on general flood control which is a direct payment and no return, this project will do as much good.

This project will recharge the ground water of the entire O'Neill area, if this is not done and soon the O'Neill area will be a desert and then it will be too late.

Please support this project we of the affected area know how much good it will do and what a good affect it will have on the entire state.

STATEMENT OF WILLIAM M. RYAN, O'NEILL, NEBR.

It is a sad fact of life that almost any change that is progress must impose some hardship on a few people, generally because of circumstances beyond their present control or anticipation. This is the case regarding the Norden Dam. I cannot but believe that the final completion of this irrigation project will ultimately serve these few in as great a capacity as any other group of individuals.

In a liberal connotation, we are all agriculturalists in this area. Without farming and ranching there would be nothing in north central Nebraska. Without water there can be no farming or ranching. It is my firm conviction that we can also pump this area dry of our underground water supply. I feel that it is imperative that even to hold our present level of development, we must store every bit of water possible from surface runoff to augment and recharge our underground supply.

Many of us will not be here to see the job completed but surely the day will soon come when surpluses will not longer be with us and we will need even greater production. The other benefits of flood control, power, recreation, soil control, and drinking water supply will be of immeasurable value to all those we hope will follow us in this wonderful area.

The monetary cost has only been increased to all by delay. A cost that will be returned to all several times over in a lifetime. I ask you to support the O'Neill Unit with an appropriation that will get it moving at the earliest possible minute.

ENDORSEMENT OF SANDHILLS ROD & GUN CLUB

For several years the Norden Dam-O'Neill Irrigation Project has been discussed, investigated and studied by many groups and organizations concerning every aspect of the projects need, safety and general effects and consequences to this area. We feel this project's benefits far exceed any short term detrimental effects, and the actual benefits to wildlife, fisheries and outdoor recreation for the general public will be greatly enhanced.

Therefore, we the undersigned officers and directors of the Sandhills Rod & Gun Club would like to go on record as endorsing this project and urge the support of you and your committee towards the final development and early construction of the O'Neill Irrigation Project.

Witte
Brad Witte, President

Joe A Dodd
Joe Dodd, Vice-President

Rich Walters
Rich Walters, Secretary-Treasurer

Larry Goshorn
Larry Goshorn, Director

Clifford Assarson, Director

Larry Henne, Director

Steve Dodds
Steve Dodds, Director

Micky Chase
Mick Chase, Director

STATEMENT OF B. W. STROPE, O'NEILL, NEBR.

Again, I wish to request continued support by the Senate for the O'Neill Unit. I strongly support this project for the area and for the nation as a whole.

We are both aware that food and water are the two most important necessities in life and the production and preservation of these items must be of utmost importance in our future planning. The O'Neill Unit will provide needed conservation of our valuable water resource as well as increasing agricultural production.

The Norden Dam is a sensible and economical way to achieve a very important goal not only for the locality and the State but for the nation.

STATEMENT OF JULIUS D. CRONIN, O'NEILL, NEBR.

I hope that you will be able to give your active support to the appropriations for the O'Neill Unit and its construction of the Norden Dam.

I am sure you know that our soil generally is somewhat sandy and our rainfall is light. We need this unit to keep our farmers on the farms. We now have extensive pump irrigation and it has tripled our corn production, but the underground water is going down so fast that some experts say it will be exhausted in a few years if used at the present rate.

I am told that the benefit cost ratio is one of the best in the Nation. We desparately need this Unit for our people. We hope you can help us.

STATEMENT OF KEITH DAVIS, PRESIDENT, LOUP BASIN SURFACE WATER DEVELOPMENT ASSOCIATION

I am writing in support of the O'Neill Unit of the Pick Sloan Missouri Basin Program.

I believe the O'Neill Unit to be a good project and it is very badly needed in north east Nebraska.

With all present and future demands for water, we must construct surface water projects to better utilize this natural resource to help reduce future water shortage crises.

I urge your committee to appropriate the requested funds for construction of the O'Neill Unit, in FY 83.

STATEMENT OF C. E. SPENCE, ATKINSON, NEBR.

Just a line to ask for your help in getting an appropiation for the Norden Dam project. I feel that surface water should be dammed where ever possible to help supply water for irrigation.

RESOLUTION OF NIOBRARA BASIN IRRIGATION DISTRICT

AGREEING TO RENEGOTIATE
CONTRACT NO. 14-06-700-8395
FOR REPAYMENT OF O'NEILL UNIT DISTRIBUTION WORKS

WHEREAS, the Niobrara Basin Irrigation District, herein called the Irrigation District, is organized and exists pursuant to the laws of the State of Nebraska; and

WHEREAS, the Irrigation District includes the irrigable lands of the O'Neill Unit, Nebraska, Pick-Sloan Missouri Basin Program; and

WHEREAS, the Irrigation District executed Contract No. 14-06-700-8395, the 18th day of May, 1976 with the United States of America to pay the construction costs of the distribution works of the O'Neill Unit based on January 1975 costs; and

WHEREAS, the cost of the O'Neill Unit has increased about fifty (50) percent since the Irrigation District executed that contract.

NOW, THEREFORE, we directors of the Niobrara Basin Irrigation District do respectfully request the United States of America that Article 4.a., page 6, Contract No. 14-06-700-8395 be amended to read "$34,804,000".

BE IT FURTHER RESOLVED that this Resolution is not intended nor shall any effort be made by any parties to amend other Articles or other parts of Article 4.a. of Contract No. 14-06-700-8395.

Moved to adopt by Howard Carr, Seconded by Alfred Drayton.

Voting "Yes": Carr and Drayton.

Voting "No": None.

Absent and not voting: Paul Zakrzewski

Resolution adopted at the regular March 16, 1981 meeting of the Niobrara Basin Irrigation District.

Alfred T. Drayton
President

ATTEST:
(SEAL)

Paul F. Zakrzewski
Secretary

STATEMENT OF DAYLE E. WILLIAMSON, EXECUTIVE SECRETARY, NEBRASKA NATURAL RESOURCES COMMISSION

The Nebraska Natural Resources Commission has been deeply involved in the alternatives study for the O'Neill Unit this past year. After a thorough review, we are convinced that the approved plan is the best plan and we ask for continued congressional support. While the Bureau of Reclamation request for preconstruction work is limited to $700,000 this year, we believe the figure is realistic and ask for your subcommittee's support.

We are most hopeful that the court injunction will be removed during 1982 to allow construction of this project on a realistic schedule. The O'Neill Unit is essential to future water management in Nebraska. We look forward to your support.

RESOLUTION OF LINCOLN (NEBR.) CHAMBER OF COMMERCE

WHEREAS, the U.S Congress in 1972 authorized and directed the construction of the O'Neill Unit reclamation project in north-central Nebraska; and

WHEREAS, the O'Neill project is among the most highly favorable projects in the nation in terms of its benefit-cost ratio; and

WHEREAS, the O'Neill project is a multiple purpose project that will provide irrigation water for 77,000 acres of farm land, and that will include substantial outdoor recreation, fish and wildlife, flood control, and other potential benefits; and

WHEREAS, the O'Neill project will help to prevent and reverse the crisis of rural out-migration and urban congestion, and to provide stabilization of an economy for a significant area of Nebraska; and

WHEREAS, local residents of the project area in 1979 gave substantial support for the project in elections which ratified contracts for the project, and the project continues to have the support of local governments, chambers of commerce and commercial clubs, the state Natural Resources Commission, the governor of Nebraska, the Missouri River Basin Commission, the U.S. Department of the Interior, and the U.S. Congress; and

WHEREAS, the benefits of the O'Neill project will extend beyond the limits of the project lands and area, and will have a favorable benefit for all of Nebraska; and

WHEREAS, residents and businesses of Lincoln can be expected to benefit from the O'Neill project, directly and indirectly, by the economic impact on business in the state, on the stabilization of the area economy and resulting lesser demand on state and other tax revenues, and by the additional outdoor recreation facilities that will be provided by the project; and

WHEREAS, the Federal Administration and the U.S. Congress have continued to provide appropriations for the continuation of necessary work for construction of the O'Neill project;

NOW, THEREFORE, BE IT RESOLVED, that the Lincoln Chamber of Commerce reaffirms its earlier endorsement and support for the O'Neill Unit reclamation project, and that the Lincoln Chamber of Commerce urges continued funding of the project for the earliest possible completion of construction and subsequent realization of benefits of the project for the people of Nebraska.

STATEMENT OF ROY G. ARNOLD, VICE CHANCELLOR, INSTITUTE OF AGRICULTURE AND NATURAL RESOURCES, UNIVERSITY OF NEBRASKA

I understand that your subcommittee will soon be conducting hearings for the O'Neill Unit reclamation project.

The University of Nebraska does not have an official position regarding this project. The procedure for review of the proposed project is thorough and complex. It appears that the project's technical and economic feasibility and its impact on the economy, the environment, and the citizenry of the region are being addressed in the review and approval process.

The development and wise use of the state's water resources are vital to the economic and social well-being of the people of Nebraska. Nebraska's growth in irrigated acres during the past 15 years has been phenomenal, increasing from 2.9 million acres in 1965 to over 7 million acres at this time. It would appear that the O'Neill Unit reclamation project would enhance the further development of Nebraska's water resources and contribute to the state's economy.

We need to make effective and efficient use of both our surface and ground water resources in Nebraska. Faculty in the Institute of Agriculture and Natural Resources presently are directing several research and extension projects aimed at improving our irrigation efficiency. Currently, nearly six of every seven acres irrigated in Nebraska are dependent upon wells using ground water, with only one of every seven acres irrigated from surface water sources. We need to find ways to use off-season high flows in our streams and rivers through water storage systems for irrigation, for ground water recharge, and for recreation and wildlife habitat improvement.

STATEMENT OF FRED W. AND MARY S. ROSE, AINSWORTH, NEBR.

We are particularly interested in that part of the appropriations bill for the next fiscal year which would designate funds for the O'Neill Irrigation Project in Nebraska. That project is important to us, to the State, and to the Nation.

The project is important to those of us in and near the area that would be irrigated by this project because water tables are dropping in the O'Neill area, wells are going dry, and that situation can only worsen unless groundwater is recharged by surface irrigation, also making it possible to pump less groundwater, since the surface water would be used to grow crops.

The project is important to the State of Nebraska because this project, like all the other previous projects, will generate huge increases in income, the impact of which will be felt throughout the state; and state government itself will benefit through the additional sales and income taxes each project generates.

The project is important to the United States because of the vast amounts of additional income tax that can be attributed directly to such projects, with the result that those additional federal income taxes will pay for the project many times over in years to come, though they will not be credited to the project. Secondly, the nation is finding more and more that it must use agricultural products to try to catch up on the international balance of trade, and while this country is at present "over-producing", all the economists forsee under-production in a very few years.

We respectfully request that you and your committee support that portion of the budget which pertains to the O'Neill Unit Project.

STATEMENT OF KENNETH L. JONES, CHAIRMAN, NIOBRARA RIVER SPORTSMEN'S ASSOCIATION

The Niobrara River Sportsmen's Association consists of over 200 members and they come from several walks of life, including, hunters, fishermen, farmers, ranchers, business people, old and young.

There is no doubt in our minds, that the Norden Dam and O'Neill Project will enhance wildlife and the Norden Dam will be the greatest man-made Reservoir in the State of Nebraska.

If we compare proposed Norden Reservoir with Merritt Reservoir, it will have a visitation of 328,000 people a year, with a peak day use of 7,000 people, 93,000 vehicles, assuming Norden Reservoir will be twice as attractive to people as Merritt Reservoir, we feel confident that it will be.

There are those that claim the public is using the proposed Norden Reservoir area by canoeing to a degree that is equivalent to what use could be on the proposed Norden Reservoir if built. This is completely ironeous, since canoeists on the Niobrara River don't even compare to Merritt Reservoir at this time.

Those sportsmen enjoying reservoir recreation, contribute to the enhancement of recreation, wildlife and fisheries, whereas, canoeists don't even pay for a permit like other sportsmen do on their use, such as, boat license, fishing license, hunting license, bike license, snowmobilelicense, etc.

Furthermore, the Norden Reservoir, is not going to take away the best canoe area, which is the upper 10 miles from Cornell Dam to the inlet to the proposed Norden Dam. We feel it will improve canoeing and wil make some 5 to 6 miles below the reservoir choice, sport fishing, like Merritt Reservoir did.

There are those organizations such as the Sierra Club, Audubon Society and the Wildlife Federation, that have stated false information and mislead Sportsmen and public on the proposed Norden Dam, O'Neill Project.

We urge you to continue appropriations and support for the O'Neill Project, so that this project can become a reality. The delays have been to long for a project, that is such a precious item for water development in the state of Nebraska.

STATEMENT OF MRS. RAMONA KAMAS, AINSWORTH, NEBR.

I recently attended the hearing in Lincoln, Feb. 26, 1982 before the Legislatures Public Works Committee on the Norden Dam O'Neill Project. We need this project and must get started immediately.

With our economy as it is, this is the time to create jobs. Our nation needs food, our water supply needs recharging, we must save our water in this state, it would be a great impact on our economy for our small business, ranchers, farmers. The small business man in these small towns needs help if we are to survive. If it wasn't for the Merritt Dam Ainsworth would be a ghost town. Do you men want us all to move to Omaha and Lincoln and go on welfare?

I have been a resident of Ainsworth all my life and have experienced the dirty 30's. I wish some of our opponents could have lived out here then, I'm sure they would now be on our side.

I am sick and tired of hearing about the scenic Niobrara, canoeing, wild life habitat, environmentalism and etc. These people are so ignorant passing our false information. If they weren't being paid to do so, I'm sure they would be on our side.

Must comment on the article in the World Herald about the GSA building in Omaha, that Senator Zorinsky is supporting at the cost of $44.[illegible] million. What is he thinking of? Guess we people out here will have to go to Omaha and protest. Our dam is much more important. This deals with humans being able to exist in the future generations.

We urge your support for the appropriation and construction of the Norden Dam O'Neill Project.

RESOLUTION OF NEBRASKA CORN GROWERS ASSOCIATION

WHEREAS, water is the most crucial and important element in farming and agricultural production in Nebraska. and

WHEREAS, drought and precipitation shortages have extended hardship on Nebraska farmers, and declining groundwater levels in many areas threaten the continued future of successful family farming; and

WHEREAS, opportunities exist for the utilization of surface water to provide irrigation water, to supplement groundwater supplies, and to recharge underground reservoirs; and

WHEREAS, the O'Neill Unit irrigation project authorized by Congress in 1972 is an opportunity to provide direct irrigation water for 77,000 acres and groundwater recharge for another 182,500 acres in north-central Nebraska where groundwater levels are declining; and

WHEREAS, the High Plains Ogallala Aquifer study projects that 1 to 2 million acres of Nebraska farmland will revert to dryland farming by the year 2020 and severe groundwater declines will occur in a large area of north-central Nebraska without the O'Neill project; and

WHEREAS, the O'Neill project is part of the Pick-Sloan Missouri Basin program that already has provided billions of dollars in benefits to the nation and the region, primarily urban areas; and

WHEREAS, continued agricultural prosperity is necessary for the economic and social well-being of Nebraska;

NOW, THEREFORE, BE IT RESOLVED, that the Nebraska Corn Growers Association supports the construction of the O'Neill irrigation project, and urges the Congress and the Administration to continue funding for the project so that it can begin to solve water shortage problems as soon as possible.

STATEMENT OF CAROL ANN HOLZ, PAGE, NEBR.

We are writing in support of the Norden Dam Project. As residents of Holt County we feel this is needed to conserve and preserve our water, our most valuable resource. This would be one way to stabilize our ground-water levels and put money back into the economy by allowing people to irrigate and raise crops in a dry year. The potential as a recreational source greatly outweighs any adverse environmental impact as it would create more wildlife habitat as anyone who has used the facilities of the Missouri River dams can testify. Every president in the past 20 years has supported the O'Neill unit and we feel this is a far better use of our tax dollars than a lot of the appropriations coming out of Congress today.

RESOLUTION OF NORTH CENTRAL NEBRASKA RECLAMATION DISTRICT

AGREEING TO RENEGOTIATE
CONTRACT NO. 14-06-700-8395
FOR REPAYMENT OF O'NEILL UNIT DISTRIBUTION WORKS

WHEREAS, The North Central Nebraska Reclamation District, herein called the Reclamation District, is organized and existing pursuant to the laws of the State of Nebraska; and

WHEREAS, the Reclamation District includes the irrigable lands of the O'Neill Unit, Nebraska, Pick-Sloan Missouri Basin Program and the irrigable lands of the Niobrara Basin Irrigation District; and

WHEREAS, the Niobrara Basin Irrigation District executed Contract No. 14-06-700-8395, the 18th day of May, 1976 with the United States of America to pay the construction costs of the distribution works of the O'Neill Unit based on January 1975 costs; and

WHEREAS, the cost of the O'Neill Unit has increased approximately fifty (50) percent since the Niobrara Basin Irrigation District executed that contract.

NOW, THEREFORE, We, directors of the North Central Nebraska Reclamation District do firmly resolve that the directors of the Niobrara Basin Irrigation District renegotiate Article 4.a. of Contract No. 14-06-700-8395 by increasing to $34,604,000 the amount to be paid the United States of America.

BE IT FURTHER RESOLVED, that this Resolution is NOT intended nor shall any effort be made by any parties to amend Contract No. 14-06-700-8394 between the United States of America and the North Central Nebraska Reclamation District.

Moved to adopt by Robert Young. Seconded by Louis Kliment.

Voting "Yes": Drayton, Evans, Kliment, Roberts, Janousek, Young and Sokie.

Voting "No": None.

Resolution adopted at the regular March 16, 1981 meeting of the directors of the North Central Nebraska Reclamation District.

Alfred T Drayton
President

ATTEST:
(SEAL)

RESOLUTION OF NEBRASKA AGRICULTURAL COUNCIL

ON MOTION DULY MADE AND SECONDED, THE FOLLOWING RESOLUTION WAS ADOPTED BY THE MAJORITY OF MEMBERS PRESENT AND VOTING OF THE NEBRASKA AGRICULTURAL COUNCIL DURING THEIR MEETING IN LINCOLN, NEBRASKA, JUNE 16, 1981.

WHEREAS: water is the most crucial and important element in farming and agricultural production in Nebraska, and;

WHEREAS, Nebraska's agricultural production has depended upon precipitation, ground water, and surface water use, and;

WHEREAS, drought and precipitation shortages have extended hardships on Nebraska farmers, and declining ground water levels in many areas threaten the continued future of successful family farming, and;

WHEREAS, opportunities exist for the utilization of surface water to provide irrigation water, to supplement ground water supplies, and to recharge underground reservoirs, and;

WHEREAS, the O'Neill Unit reclamation project authorized by the Congress in 1972, is an opportunity to provide direct irrigation water for 77,000 acres in north-central Nebraska and ground water recharge for a large area, and;

WHEREAS, the O'Neill project is among the most highly favorable projects in the nation, and has had the support of all administrations since its authorization;

NOW, THEREFORE, BE IT RESOLVED, that members present and voting of the Nebraska Agricultural Council supports the construction of the O'Neill Unit reclamation project, and urges continued funding of the project by the Congress and the Administration for the earliest possible completion and realization of benefits for the people of Nebraska. Members present and voting yes: Nebraska Wool Growers, Nebraska Poultry Industries; Nebraska Rural Electric Association; Nebraska Wheat Growers; Nebraska Water Resources; Nebraska Turf Grass Foundation; Nebraska Veterinary Medical Association; Nebr. Public Power District; State Board of Educational Lands & Funds and the Nebraska Land Improvement Contractors. Abstain votes: Mid America Dairymen; Nebraska State Grange; Nebraska Farmers Union and WIFE.

STATEMENT OF WILFORD LEACH, MAYOR, AINSWORTH, NEBR.

The prompt construction of the O'Neill Unit is viewed by the City of Ainsworth as a sound investment in our economic future. The backbone of our economy is Agriculture and Irrigation plays an important part of that economy. The development of our natural resources is important to help both our economy and to feed the world.

Statement of Don Steen, President, Nebraska Water Resource Association

This year marks the 30th Anniversary of the 1952 flood that ravaged the Missouri River Valley from Montana through Missouri, and had threatened several cities with widespread destruction, including Omaha. I have been informed that WOWT, Channel 6, yesterday and the day before ran a half hour documentary on that flood, and the subsequent development of the Pick-Sloane Missouri Basin Program and the flood prevention provided by the Missouri River dams upstream.

The Nebraska Water Resource Association, formed in 1944, was an early pioneer in promoting the Pick-Sloane program today. Our first president was Edwin Van Horne of Omaha, with the Federal Land Bank.

According to the Army Corp of Engineers, flood control benefits alone from the Pick-Sloane program totaled more than 3.5 billion dollars, more than twice the total cost of constructing the projects from the program to date. Revenues to the federal government from the sale of hydro-electric energy from Pick-Sloane projects are now more than 100 million dollars each year. Recreation, and fish and wildlife benefits from Pick-Sloane projects have been sizable, and increased agricultural production from irrigation has expanded the economies of several states, and contributed greatly toward U. S. exports of grain that have meant thousands of additional jobs.

We are continuing to work for additional projects of the Pick-Sloane plan where other projects can be built for multiple benefits including irrigation, aquifer recharge, hydro-electric production, outdoor recreation, and fishing and wildlife.

In reflecting on the origin of the Pick-Sloane program and the many benefits of the program to date, we have to consider that it is a good thing that we didn't have the delays and harassment we are experiencing today 30 years ago, or the flood prevention and benefits of the Pick-Sloane program may not have been in place to help prevent repeats of the 1952 flood in 1975, this year, and other years.

The projection of the high plains Ogallala aquifer study and other studies are that Nebraska will experience periods of large decline in ground water levels unless something is done to supplement and recharge ground water supplies and to build new surface water supplies. We have the potential under the same Pick-Sloane program that has already created so many benefits for Omaha and Missouri River communities of our state to do something to help insure our future agricultural production, family farm operation, and economic prosperity.

The North Loop project now being built in Central Nebraska is an example of a project that will help. And the O'Neill project that has been authorized for North Central Nebraska will give the same. Besides irrigating 77,000 acres of family farm land directly that project will provide ground water recharge for an area of 182,500 acres.

Of course the economic benefits from those projects will be felt by all Nebraskans from increased crop producion, and all Nebraskans will be able to enjoy the outdoor recreation provided by such projects.

Statement of Harlin D. Welch, Manager, Ainsworth Irrigation District

The Ainsworth Irrigation District is located in north-central Nebraska, 57 miles west of O'Neill, Nebr., serving 34,539 acres east, north, and west of Ainsworth, which consists of 365 landowners, with a farm population of 415. This is up from 1967, whereas, at that time, it was 350 landowners with a farm population of 392. Total cost of the Ainsworth project was $26 million with a gross crop value averaging $12 million annually.

The Ainsworth Irrigation District operates with 14 full-time employees to maintain Merritt Dam and distribution system of the project and three board of directors are elected by the landowners within the boundaries of the Ainsworth Irrigation District to attend to the business and functions of the project.

The people in the Ainsworth area experienced the same type of opposition that the O'Neill project is experiencing today. Propaganda and false statements were given on the Ainsworth project hearings, as they are being given on the O'Neill project. Enclosed is an article of testimony that was typical of the opponents. This dates back to March 24, 1955; the place, Valentine, Nebr.

We feel the O'Neill project is very much in similarity to the Ainsworth project and it would be a serious setback to the State of Nebraska, and expecially to the north-central Nebraska area, if this project is not built. We must look at our water projects as an investment and discontinue the highly publicized untruths about the costs of the project. People are being misinformed by these publications and this is a serious deterioration to the water developments in the United States. We must look at the projects that have been constructed and the benefits that they are providing. Without water development and water project reservoirs in the State of Nebraska, recreation would be at a minimum, and without the gain of food and fiber from these water projects, our tax base in the State of Nebraska would be in a serious situation.

Representatives of the people in the United States have a responsibility to continue progress so that we may pass on a sound economy to the youth today. This cannot be accomplished by sympathizing with extreme environmental groups and whatever else they represent, when they propose a nongrowth economy for the Nation. Delay tactics on the Ainsworth project by opponents cost taxpayers and landowners thousands of dollars and the same is true today on the O'Neill project. Representatives of the United States should be taking a closer look at legislation to make these groups liable for these additional costs, rather than some of the representatives sympathizing with them and joining their ranks.

We urge you to continue appropriations and support for the O'Neill project so that this project can become a reality. The delays have been too long for a project that is such a precious item for water development in the State of Nebraska.

[From the Valentine (Nebr.) Republican, March 24, 1955]

25 YEARS AGO

Sam Hudson came to town the other day. He doesn't come in very often from his Bow and Arrow ranch 25 miles South of town, because he is now 94 years old.

Sam braved the rugged Nebraska March weather Saturday, though, and joined with other cattle ranchers of his neighborhood to protest an irrigation project that is going to come close to ruining the cattle operations on a couple of hundred thousand acres of good Sandhills cattle land.

The object of the protest is a Reclamation Bureau project which will irrigate some 30,000 acres of farm land 53 miles East in the vicinity of Ainsworth, Nebraska. A canal 14 feet deep and lined with concrete or gravel and enclosed with high government fences will run through 53 miles of America's finest ranch land. Cherry County, of which Valentine is county seat, is the number one county in the country in both cattle and hay production.

A hundred-foot-high dam in the Snake River would provide a reservoir for storing water for the project. Sam Hudson who has lived in the locality of the proposed dam for 72 years says the dam won't hold water. Other ranchers agree, pointing out that seepage through the sandy soil of the dam will flood thousands of acres of hay land.

At their meeting the other day Sam Hudson and his neighbors learned that the Reclamation Bureau has ignored all protests. That agency is now ready to ask Washington for $25,000,000 to build the dam and canal. Sam, who cowboyed in Texas in the seventies and came up the old Chisholm trail from Texas to Nebraska in 1890, shakes his head when he hears that taxpayers of the nation will spend around a thousand dollars an acre for irrigating land to be worth $300.00 an acre when irrigated.

FUNDING REQUEST

Mr. CHRISTENSON. I thank you for the support you have given the O'Neill unit in the past and respectfully request that you continue help in appropriation of $700,000 for the O'Neill unit for fiscal year 1983.

We continue to have a declining ground water problem in the area and the answer to this is the O'Neill unit which will provide irrigation water for 77,000 acres and recharge for an additional 20,000 acres.

We need the O'Neill unit for the outmigration of our young people. This will help during the project time and construction and also retain our young people in the area.

In the statement that I have submitted, there is a resolution by both reclamation and navigation district to increase the repayment from the farmers by roughly one-half.

We still intend to comply with this. Currently, we are held up in court and we will negotiate this upon completion of the action. We had an election in 1979. We had 79 percent of the people in the reclamation district and irrigation district voting in support of the project.

We feel that support is strong across Nebraska.

Thank you, very much.

Senator HUDDLESTON. Thank you. We appreciate your testimony.

NORTH LOUP PROJECT, NEBRASKA

PREPARED STATEMENT

We also have the material submitted by the North Loup group which will be made part of the record at this point.

[The information follows:]

STATEMENT OF CYRIL P. SHAUGHNESSY, ON BEHALF OF THE TWIN LOUPS RECLAMATION DISTRICT AND THE TWIN LOUPS IRRIGATION DISTRICT

My name is Cyril P. Shaughnessy, and I reside at St. Paul, Nebraska. Our group appears hereto today in support of the continued construction of the North Loup Division, Nebraska Project. The Budget Allotment of $38,854,000.00 for Fiscal Year 1983 is sought for the continued development, conservation, and wise use of the Water and Land Resources in the North Loup and Loup River Valleys.

It is my privilege to make this statement on behalf of the Twin Loups Reclamation District and The Twin Loups Irrigation District. These Districts are the sponsoring organizations for the North Loup Division, Nebraska Project. This Multi-purpose Project is located in the Loup River Basin in Central Nebraska. This Project when completed will irrigate approximately 53,000 acres of land, provide ground-water recharge, and will provide not only a stable and economical water supply for irrigation purposes, but will open opportunities for new agri-business, stablize employment, and provide much needed recreation, fish and wildlife.

With me today are Mr. Henry G. Lange, President of the Twin Loups Reclamation District, Mr. Donald E. Kilday, President of The Twin Loups Irrigation District, and Senator Donald L. Wagner from our 41st Legislative District of Nebraska. Senator Wagner was a Director of the Twin Loups Reclamation District for many years.

Mr. Chairman, permit me to express to you on behalf of the Directors of the two Districts their sincere appreciation for the confidence placed in them by continuing appropriations in Fiscal Year 1982. With the expenditure of these funds our Project will be nearing 20% completion. Acquisition of the Calamus Dam and Reservoir Area is nearly complete and rights-of-way for Davis Creek Dam and Reservoir have begun. The First Section of the Mirdan Canal has been acquired and acquisition of the remaining canal and lateral right-of-ways for the Mirdan System is well underway. The excavation of the foundation of Calamus Dam has been completed and the Stage II Contract for construction of the Calamus Dam was awarded. The Contractor began construction in the Fall of 1981. It appears within the next few weeks placement of the dam embankment will begin. The Contract for the First Section of the Mirdan Canal was also awarded in the Fall of 1981, and the Contractor is proceeding with the construction of the Canal.

Planting of the authorized Wildlife Mitigation Habitat was initiated the Spring of 1981 and survival of the plantings over the first winter was very good. The purpose of these habitat plantings and further plantings is to mitigate the loss of existing wildlife habitat to be inundated by the Calamus Reservoir. In addition to this activity, the Bureau of Reclamation is completing the design of the remainder of the Mirdan Canal and Laterals and for the Road Relocation around Calamus Dam. Design data for Davis Creek Dam and Geranium and Scotia Canal Systems is underway. Activities in cultural resource assessment of the United States Government rights-of-way continues.

I would like to also emphasize to the Committee that our Districts are working closely with the Bureau of Reclamation, U.S. Fish and Wildlife Service, and the Nebraska Game and Parks Commission to add additional fishery enhancement items for the Calamus Reservoir. The Nebraska Game and Parks Commission has signed a letter of intent to cost-share the additional fishery enhancement items in accordance with the Federal Project Recreation Act, Public Law 89-72.

While the actual construction of the Calamus Dam is underway, the Directors of the two Districts have been busy acquiring Pump Contracts in what is known as the Geranium Area and the Mirdan Area of the Project. The purpose of these Contracts is to insure to the Districts that the lands served by pumps will have the same obligation to the Districts' Repayment Contracts as the lands served by gravity have.

Briefly, of the 11,723 serviced acres in the Geranium Area, 6,414 acres can be served by gravity and 5,309 acres must be served by pumps installed by the individual waterusers. As of this date, 3,559 acres have been committed to executed Pump Contracts. The total number of Pump Contracts required to serve this Area is 71. The number of Pump Contracts executed to this date is 47.

Likewise, of the 12,328 serviced acres in the Mirdan Area, 7,884 acres can be served by gravity and 4,534 acres must be served by pumps installed by the individual wateruser. As of this date, 4,326 acres have been committed to Pump Contracts. The total number of Pump Contracts required is 77. The number of Pump Contracts signed is 70.

Continuing our progress report, in July of 1978, the Nebraska Game and Parks Commission decided not to enter into a cost sharing contract under P.L. 89-72, Federal Water Projects Recreation Act, until its environmental concerns had been addressed. On September 26, 1979, the Twin Loups Reclamation District entered into a Contract with the Water and Power Resources Service, now the Bureau of Reclamation, to assume the Non-Federal costs for recreation development associated with the North Loup Division. The then Water and Power Resources Service, the Fish and Wildlife Service, and the Nebraska Game and Parks Commission proceeded to address the State's environmental concerns. On January 9, 1981, the Nebraska Game and Parks Commission stated its concerns had been addressed to the extent practicable and passed a Resolution to serve as the Non-Federal sponsor for fish, wildlife and recreation enhancement of the North Loup Division under the provisions of Public Law 89-72.

The Twin Loups Reclamation District believes the Nebraska Game and Parks Commission is the appropriate Non-Federal sponsor for fish, wildlife and recreation purposes, and the District will terminate its contract as soon as the Nebraska Game and Parks Commission enters into a P.L. 89-72 Contract with the Bureau of Reclamation. The Directors of the Twin Loups Reclamation District base much of their decision on the fact that the Nebraska Game and Parks Commission has performed and is presently performing a tremendous service to the people who enjoy the recreational benefits from the Sherman Reservoir as indicated in a subsequent paragraph. My Directors are given to understand the Bureau of Reclamation will have a draft copy of P.L. 89-72 Contract to the Nebraska Game and Parks Commission by May of this year.

As a point of information, the Nebraska Game and Parks Commission operates and maintains the recreation, fish and wildlife aspects of Federal Water Projects in Nebraska. The increased costs of operating and maintaining these facilities is becoming a burden to the Game and Parks Commission. In order to alleviate some of the problems and to assist the Game and Parks Commission in providing the best of recreation facilities in the Calamus Dam area, the Directors of Twin Loups Reclamation District and the Nebraska Game and Parks Commission are negotiating a Cooperative Agreement whereby the Twin Loups Reclamation District will cost share in a portion of the operation and maintenance cost with the Game and Parks Commission. The Directors of the Reclamation District have provided a draft of this Agreement to the Game and Parks Commission and it appears this Agreement should be finalized within the next few months.

The many letters we are submitting hereto today which include letters from our Governor Charles Thone, State Senators, J. Michael Jess, Director of the Department of Water Resources, Dayle Williamson, Executive Secretary, State of Nebraska, Natural Resources Commission, Roy G. Arnold, Vice Chancellor, Institute of Agriculture and Natural Resources, University of Nebraska-Lincoln, Businessmen, Farmers, and others residing in the North Loup and Loup River Valleys indicate their continued support for the North Loup Project. The enthusiasm of the people for the Project as they see the Project becoming a reality is quite evident in their letters.

With the Fiscal Year 1983 Appropriations, the Bureau of Reclamation can continue Stage II construction of the Calamus Dam and award Stage III of the Calamus Dam. The Contract for the County Road Relocation around the Calamus Reservoir will be awarded and relocation of utilities and wildlife mitigation measures will continue. Acquisition of land for Davis Creek Dam and Reservoir will continue and acquisition of the Geranium Canal and Laterals will be completed. Right-of-way acquisition of Scotia Canal and Laterals will begin. Construction will continue on the First Section of the Mirdan Canal and Contracts will be awarded for construction of the Second and Third Sections of the Mirdan Canal and the First and Second Sections of the Mirdan Laterals. Preconstrction activities and design data for other project features will continue.

To demonstrate the effects of what an Irrigation Project can do for a local area, I take pride in stating that in the early 1960's the Farwell Irrigation Project was completed. This Project is located in the Middle Loup River Valley, which is adjacent to our North Loup Irrigation Project. This Project serves approximately 50,000 acres of land in Howard and Sherman Counties, Nebraska. As evidence of the tremendous impact this Project has had upon the social and economic welfare of Central Nebraska, I am pleased to make a short summary from the Crop Production Report of the Farwell Unit for the Year 1981.

The Crop Production Report indicates that of the 50,051 classified acres in the Farwell Unit, 47,707 acres were actually irrigated and harvest. Farmsteads, roads, farm drains, and irrigation rotation makes up the remaining acreage, resulting in a total acreage of 50,051 acres. The gross income of the total harvested cropland and pasture in 1981 amounted to $13,883,957.00. The average value per irrigated acre was $291.00. According to information available to me, costs of the Farwell Project up to September 30, 1981 was $38,288,556.00. To further demonstrate that investment in Irrigation Projects is a wise and sound one, in the Year 1981 more than 36% of the total costs of the Project was realized in income to the irrigator in the Farwell Unit. To carry this point further, the total accumulated crop value from the Farwell Unit from the Year 1963 through the Year 1981 was $136,105,000.00. The figure of $136,105,000.00 is more than three times the total cost of the Project expended to September 30, 1981. Certainly with these convincing figures, we can state, again with pride, that an investment in a Project such as the North Loup Project is a sound investment in the water resources of the State of Nebraska. This is an investment to insure the continued economic and social well being not only of the farmers residing in the Twin Loups Irrigation District and the Twin Loups Reclamation District, but also for our citizens residing in the towns and cities within the Districts, as well as all the citizens of the State of Nebraska, including the related agri-business in the State of Nebraska, and the Nation as a whole.

As further evidence of the economic impact a Project such as the Farwell Irrigation Project has upon the valuations for tax purposes within the boundaries of the Loup Basin Reclamation District, I wish to briefly state that the actual valuations for tax purposes of the tangible property within the boundaries of the Loup Basin Reclamation District for the Year 1981 was $144,550,805.00. The actual valuation of the tangible property within the boundaries of the Twin Loups Reclamation District for 1981 was $99,456,255.00. While the number of irrigable acres in the Loup Basin Reclamation District is approximately 63,000 acres and the irrigable acres within the boundaries of the Twin Loups Reclamation District is 53,000, by reason of the Sargent and Farwell Units, the valuation in the Loup Reclamation District exceeds the valuation in the Twin Loups Reclamation District by more than $45,094,550.00. As further evidence of the impact that the Farwell and Sargent Units have had upon the valuations for tax purposes, it is interesting to note that in the Year 1976 the valuation of the tangible property was $25,567,405.00. In the span of six years, that valuation has nearly doubled. Again, such increased valuations are added evidence that investment in Irrigation Projects such as the Farwell Unit and the Sargent Unit and now the North Loup Division is sound and economically wise.

Fortunately for this Area, the Loup Valley Elevators located in St. Paul, Nebraska, with the cooperation of the Union Pacific Railroad, has now completed facilities to transport out of St. Paul Unit Trains consisting of 50 to 75 cars. In 1981, the Loup Valley Elevators transported by rail 1746 car loads of grain to the West Coast. More than 75% of this grain was raised within a 50 mile radius of St. Paul, Nebraska, which includes lands to be served by the North Loup Irrigation Project. I am given to understand by the Manager of the Loup Valley Elevators that his Elevator marketed 7,000,000 bushels of grain in 1981, and in the year of 1982, his Elevator anticipates it will handle 10,000,000 bushels of grain. The Manager also reports that by reason of the company's facilities, the Elevator has the potential of handling in excess of 15,000,000 bushels of grain annually. This potential can be realized in a large measure with the construction of the North Loup Project, and that when the Project is completed, the potential of 15,000,000 bushels of grain annually will certainly become a reality to the Loup Valley Elevators in St. Paul, Nebraska.

Aside from the economic and social benefits which will inure to the peoples residing within the boundaries of the Twin Loups Reclamation District and its trade territory, I believe it is also significant to point to the tremendous recreational facilities which will be provided by the construction of the Calamus Dam and Reservoir.

All of us are aware of the increase costs of travel and as travel becomes higher and higher, people will utilize more frequently the recreational opportunities in their own areas. I am informed that the recreational use at the Sherman Reservoir, which is the water supply for the Farwell Irrigation District, in the Year 1981 was 210,000 visitor days. In 1956 it was estimated there would be 40,700 visitor days. It is evident there is a tremendous use of these recreational facilities afforded to the people of Nebraska at this time. In short, the visitors days in 1981 were over five times what was estimated the visitor days would be when the Farwell Project was being planned and when construction commenced shortly thereafter.

I am further informed by the Bureau of Reclamation that the recreation days for the Calamus Dam and Reservoir is estimated at 50,000 visitor days. If the same ratio of visitation is realized at the Calamus Dam and Reservoir, the visitor days would be in excess of 250,000 visitor days each year.

In summary then, we are proud to have been able to give you, Mr. Chairman, and your Committee this progress report and to have presented to you more than 275 letters of support. We are grateful to you and your Committee's past support of the North Loup Project and now your continued support. We just want to again emphasize that the early completion of the North Loup Project will not only provide a stable and economical water supply for irrigation purposes, but will open opportunities for new agri-business and stablize employment; and that finally, the North Loup Irrigation Project will provide for the Citizens of the State of Nebraska, not only new economic possibilities, but will provide them tremendous recreation and wildlife facilities.

STATEMENT OF KEITH DAVIS, PRESIDENT, LOUP BASIN SURFACE WATER DEVELOPMENT ASSOCIATION

As President of the Loup Basin Surface Water Development Association, it is with pleasure that I write this letter in support of the North Loup Project. The Loup Basin Surface Water Development Association is very interested in water conservation.

We believe the North Loup Project when completed will be a great benefit to the Area, State and Nation. For many the high costs of pumping water can be decreased when the Project is in operation. The North Loup Project will provide a ground water recharge which has been on the decline due to increased irrigation.

We need to store and use surface water in the area of origin rather than permitting it to flow uselessly to the Gulf of Mexico. The stored water may be utilized for recreation, fish and wildlife habitats.

Therefore, the Loup Basin Surface Water Development Association strongly supports the requested Appropriation of $38,854,000.00 for the North Loup Division for Fiscal Year 1983.

LETTER FROM GOV. CHARLES THONE OF NEBRASKA

March 19, 1982

The Honorable Mark Hatfield
Chairperson
Committee on Appropriations
The United States Senate
1218 Dirksen Office Building
Washington, D.C. 20510

Dear Mr. Chairman:

The purpose of this letter is to strongly endorse the Administration's Fiscal 1983 budget requests for all projects involving Nebraska that are under the jurisdiction of your Committee.

Water is an issue of vital importance to the citizens of Nebraska. The wise use, proper management and conservation of water resources are essential to Nebraska's continued economic prosperity. As such, I would ask that you approve the total amount requested for water projects in Nebraska for Fiscal Year 1983.

Your favorable consideration will be deeply appreciated.

Sincerely,

CHARLES THONE
Governor

STATEMENT OF LEONARD J. SCHAEFER, SECRETARY, OMAHA BUILDING AND CONSTRUCTION TRADES COUNCIL

The Nebraska Building and Construction Trades Council represent approximately 11,00 members in the Construction Industry in the State of Nebraska.

This would have been our fifth (5th) appearance in behalf of the CALAMUS DAM (North Loup Division). Our unemployment has not improved, in fact conditions are worse. The unemployed people in the area have drawn all their extended unemployment benefits. Because of Reganomics,these people have had unemployment benefits, food stamps and other Federal assistance cut back.

We respectively request that you advance this project which has been in planning for 35 years. It will make employment for people who need and want to work. It will also promote recreation and provide irrigation for ranching and farming.

STATEMENT OF GORDON L. MCDONALD, PRESIDENT, NEBRASKA STATE AFL-CIO

Our organization is requesting that your committee give favorable consideration to FY-1983 funding for the North Loup project in Nebraska.

This project is currently providing many jobs for those who are employed directly by employers at the job site and to others employed in the industries who are providing materials for its construction.

We would like to thank your committee for the past support they have given for funding this project.

STATEMENT OF STATE SENATOR RON COPE OF NEBRASKA

It is imperative that Nebraska store more water. Today the restoring of the underground water supply is as important as new storage for additional acres. Our water level is declining in a great many areas of the state. We need help!

I wholeheartedly support the FY 83 funding for the North Loup Irrigation Project and would ask that you give this very important project every consideration.

STATEMENT OF MAX E. KIBURZ, GENERAL MANAGER, LOUP POWER DISTRICT

The Loup River Public Power District earnestly supports the appropriation request for the North Loup Division Project here in Nebraska.

We strongly advocate the continued development of our water resources in the State of Nebraska and recognize the importance of irrigation to our economy and also the world-wide importance of additional food.

We have worked closely with the Twin Loup Irrigation District and urgently request your favorable action of this appropriation.

STATEMENT OF HENRY G. LANGE, PRESIDENT, TWIN LOUPS RECLAMATION DISTRICT

As President of the Twin Loups Reclamation District, permit me to take this means to express to you and your Committee my "Thanks" for your confidence in us as Directors of the Twin Loups Reclamation District in providing funds in the past years for the construction of our North Loup Project.

As President of the District, I am confident you will provide the requested funds of $38,854,000.00 for Fiscal Year 1983 to continue the construction of our Project and I remain

STATEMENT OF DONALD E. HUGHES, SECRETARY-TREASURER, TWIN LOUPS RECLAMATION DISTRICT

As Secretary-Treasurer of the Twin Loups Reclamation District, permit me to take this means to express to you and your Committee my "Thanks" for your confidence in us as Directors of the Twin Loups Reclamation Districtin providing funds in the past years for the construction of our North Loup Project.

As Secretary-Treasurer of the District, I am confident you will provide the requested funds of $38,854,000.00 for Fiscal Year 1983 to continue the construction of our Project and I remain

STATEMENT OF DONALD E. KILDAY, VICE PRESIDENT, TWIN LOUPS RECLAMATION DISTRICT

As Vice-President of the Twin Loups Reclamation District, permit me to take this means to express to you and your Committee my "Thanks" for your confidence in us as Directors of the Twin Loups Reclamation Districtin providing funds in the past years for the construction of our North Loup Project.

As Vice-President of the District, I am confident you will provide the requested funds of $38,854,000.00 for Fiscal Year 1983 to continue the construction of our Project and I remain

Statement of John Potrzeba, Director, Twin Loups Reclamation District

As one of the Directors of the Twin Loups Reclamation District, permit me to take this means to express to you and your Committee my "Thanks" for your confidence in us as Directors of the Twin Loups Reclamation District in providing funds in the past years for the construction of our North Loup Project.

As one of the Directors of the District, I am confident you will provide the requested funds of $38,854,000.00 for Fiscal Year 1983 to continue the construction of our Project and I remain

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Statement of Richard Spilinek, Director, Twin Loups Reclamation District

As one of the Directors of the Twin Loups Reclamation District, permit me to take this means to express to you and your Committee my "Thanks" for your confidence in us as Directors of the Twin Loups Reclamation District in providing funds in the past years for the construction of our North Loup Project.

As one of the Directors of the District, I am confident you will provide the requested funds of $38,854,000.00 for Fiscal Year 1983 to continue the construction of our Project and I remain

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Statement of Louie M. Cording, Director, Twin Loups Reclamation District

As one of the Directors of the Twin Loups Reclamation District, permit me to take this means to express to you and your Committee my "Thanks" for your confidence in us as Directors of the Twin Loups Reclamation District in providing funds in the past years for the construction of our North Loup Project.

As one of the Directors of the District, I am confident you will provide the requested funds of $38,854,000.00 for Fiscal Year 1983 to continue the construction of our Project and I remain

Statement of Carl F. Anderson, Director, Twin Loups Reclamation District

As one of the Directors of the Twin Loups Reclamation District, permit me to take this means to express to you and your Committee my "Thanks" for your confidence in us as Directors of the Twin Loups Reclamation District in providing funds in the past years for the construction of our North Loup Project.

As one of the Directors of the District, I am confident you will provide the requested funds of $38,854,000.00 for Fiscal Year 1983 to continue the construction of our Project and I remain

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Statement of Arthur L. Russell, Director, Twin Loups Reclamation District

As one of the Directors of the Twin Loups Reclamation District, permit me to take this means to express to you and your Committee my "Thanks" for your confidence in us as Directors of the Twin Loups Reclamation District in providing funds in the past years for the construction of our North Loup Project.

As one of the Directors of the District, I am confident you will provide the requested funds of $38,854,000.00 for Fiscal Year 1983 to continue the construction of our Project and I remain

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Statement of Raymond J. Nowak, Director, Twin Loups Reclamation District

As one of the Directors of the Twin Loups Reclamation District, permit me to take this means to express to you and your Committee my "Thanks" for your confidence in us as Directors of the Twin Loups Reclamation District in providing funds in the past years for the construction of our North Loup Project.

As one of the Directors of the District, I am confident you will provide the requested funds of $38,854,000.00 for Fiscal Year 1983 to continue the construction of our Project and I remain

Statement of Stanley Key, Chairman, Garfield County (Nebr.) Board of Commissioners

We wish to express our appreciation for the consideration given by your committee to the Calamus Dam project. We feel that the project will be of great economic benefit to the community, as well as the surrounding area.

As there has already been a large amount of work done on the project , we urge your continued support in funding it.

Statement of State Senator Howard L. Peterson of Nebraska

Please continue your unreserved support for the North Loup Project which so vitally affects the citizens of the Third District.

The North Loup Project which, upon completion, will serve the people of the Grand Island area both agriculturally and economically has their whole-hearted support.

Statement of Richard F. Rowbal, Mayor, Ord, Nebr.

As the Mayor of Ord, Nebraska, I feel that I should write you a letter and tell you how much the Twin Loups Project has done for the economy here in Ord and the surrounding area. While the nation as a whole has some economic problem, I am happy to say that the above project is responsible for the following:

I. We have a grain loading facility being built here in Ord which will cost four million dollars and will certainly raise the price of corn per bushel since this grain will go into the foreign market. The two railroads which serve our area are the Union Pacific and the Burlington. Two years ago both railroads were considering abandoning their systems that serve this area. Since the Twin Loups Project has started both railroads have had second thoughts about their abandonment, in fact, the Union Pacific is planning to upgrade their system on the Ord Branch, which will let them ship in 75 car load trains.

II. Ord is probably enjoying one of the biggest booms in its history, thanks to the Twin Loups Project.

III. Most of all looking down the road I can not see a thing that will benefit central Nebraska as much as the Twin Loups Project.

It is for the above reasons that I ask for your continued support for the Twin Loups Project.

STATEMENT OF E. J. THAYER, PRESIDENT, COMMERCIAL NATIONAL BANK & TRUST CO., GRAND ISLAND, NEBR.

We would be pleased to have you and your subcommittee take favorable action on the 1983 fiscal year budget of $38,854,000 for the continued construction of the North Loup Division, Nebraska and the Pick-Sloan Missouri Basin Program.

This project is well within our trade area. We are also well advised of the economic impact that irrigated agriculture has on the local, state and national well-being. Surface water irrigation by the North Loup Division development will insure the agricultural base of this part of our area for many, many years.

Thank you for this opportunity to express our thoughts.

STATEMENT OF R. T. AMIS, PRESIDENT, MISSOURI VALLEY MACHINERY CO.

We would like you to take favorable action on appropriations for the North Loop project in the fiscal year 1983.

Water is an important resource for our state. We also can not ignore the many people that this project would supply jobs for now and in the future. This project is an important one for all of us.

Thank you for your past consideration and your consideration in the future.

STATEMENT OF LLOYD D. ZIKMUND, ORD, NEBR.

This letter is in regard to the Twin Loups Irrigation Project presently being constructed on the Calamus River, a few miles northwest of Burwell, Nebraska.

Not only shall the direct irrigation benefits from this project be ultilized by agricultural producers of this area, but the overall economy shall benefit tremendously by additional new businesses that are being instuted in this area.

A brief example is in Ord, Nebraska, where Missouri Valley Machine have completed a structure in which all types of heavy equipment shall have mechanical needs accomplished; Bosselman's Pump and Pantry are completing a gasoline station along with an accompanying retail food outlet; a new Video World outlet is being completed along with many more retail-wholesale businesses. This as a result of the potential economical gains to be noted with the expenditures of moneys for the project.

Inclusion, we the residents of this area, extend you our personal thanks and graditude for your progressive attitude in our project.

STATEMENT OF STATE SENATOR HARRY B. CHRONISTER OF NEBRASKA

While I am not a resident of the immediate area of the North Loup, I am familiar with the area and I am convinced as a representative for the citizens of Nebraska that this project is essential. In order to maintain a healthy, thriving agricultural economic level in the state of Nebraska, we must continue this project which is presently well under construction.

Beyond the economic benefits to the state of Nebraska, the economic and conservation impact upon the nation strongly supports continued appropriation for this project.

I believe fully in the benefits which can be derived from the early storage of surface water for our future uses as well as our immediate irrigational needs. Storage of water is not a means of the future, but a means of the present to protect our future.

I, therefore, urge this Committee to view with favor the request for funds for the North Loup Project for the FY 1983, and to express my appreciation for your past appropriations. I thank you for your consideration at this time for this project.

STATEMENT OF STATE SENATOR MYRON G. A. RUMERY OF NEBRASKA

I would like to take this opportunity to urge you and your committee to take favorable action on the 1983 fiscal year appropriation for the North Loup Division Project, scheduled for consideration later this month.

Water conservation is, of course, of critical importance to current and future generations. Projects such as the North Loup Division provide a means of halting the depletion of our water supplies, thereby helping to ensure that agricultural states like Nebraska will continue to provide the food products upon which this country and the world depend.

Thank you for your consideration.

STATEMENT OF STATE SENATOR LORAN SCHMIT OF NEBRASKA

It will again be time for the Congress to determine the future of the North Loup Irrigation Project here in Nebraska. I want you to know how much we appreciate your past support.

I know also Congresswoman Virginia Smith must rely heavily upon your support in the Senate. It is very likely that the success of this project will depend upon the impetus given by you and by members of your committee.

I and many other Nebraskans will be most appreciative of your support.

With every best wish, I remain. . .

Letter From Harry Lustgarten, Jr., Chairman, Nebraska Railroad Association

March 12, 1982

Senator Don Wagner
Nebraska State Legislature
Lincoln, NE 68509

Dear Senator Wagner:

Phil Kenny has indicated to me that you are quite interested in the North Loup unit in the Pick-Sloan Missouri Basin Project.

In view of the great importance of water to the preservation and development of agriculture in the North Loup area, we can well appreciate your interest in this project. The Nebraska railroads, of course, also have a direct interest in the continued well being of the agricultural areas which they serve, and would look with favor upon projects which would foster the growth and development of agricultural production in those areas.

Very truly yours,

Harry Lustgarten Jr.

Statement of Roy G. Arnold, Vice Chancellor, Institute of Agriculture and Natural Resources, University of Nebraska

I understand that your committee will soon be conducting hearings for the Water and Power Resources Service, North Loup Project in Nebraska.

The development and wise use of the state's water resources are vital to the economic and social well-being of the people of Nebraska. Nebraska's growth in irrigated acres during the past 15 years has been phenomenal, increasing from 2.9 million acres in 1965 to over 7 million acres at this time.

We need to make effective and efficient use of both our surface and ground water resources in Nebraska. Our faculty in the Institute of Agriculture and Natural Resources presently have several research and extension projects in progress aimed at improving our irrigation efficiency. Currently, nearly six of every seven acres irrigated in Nebraska are dependent upon wells using ground water, with only one of every seven acres irrigated from surface water sources. We need to find ways to use off-season high flows in our streams and rivers through water storage systems for irrigation, for ground water recharge, and for recreation and wildlife habitat improvement.

The University of Nebraska does not have an official position on this project. However, it would appear that the proposed project would enhance the further development of Nebraska's water resources and contribute to the state's economy.

STATEMENT OF VANCE ANDERSON, HASTINGS, NEBR.

Although I do not reside within the boundaries of the Twin Loups Reclamation District, I do own land some 560 acres within the boundries. When the Project is completed, it will provide irrigation for about half of this land.

I was born and raised on the land in Howard County. My Granddad had it first and in 1988, he put an 18' water wheel in the Loup River and irrigated some 20 acres of it at that time with the water wheel. In 1926, we put a centrifugal pump in the Loup River and pumped water out of the river and approximately 100 acres of it has been watered ever since. However, now we are irrigating from two wells.

For some 45 years, I have worked with well drillers in Nebraska and the surrounding states. Certainly have some first-hand value of construction and operation of water projects such as this Loup Project. No one realizes how badly we need it as well as other projects like it. I have supported the North Loup Project from its very beginning and am certainly confident that Congress is making a wise investment in providing the funds for construction of the North Loup Project. Your committee's past support of the North Loup Project is commendable.

I now want to take this means to thank your committee for its past support of the Loup Project and urge the Committee to support the appropriation of $38,854,000.00 for Fiscal Year 1983 to continue the construction of this worthwhile project.

Thank you again for your continued support.

STATEMENT OF ROBERT B. CROSBY, LINCOLN, NEBR.

My unqualified support for the North Loup Division Project and for appropriations to accomplish its construction are expressed by this letter.

The best interests of not only Nebraska but of this nation will be served by the North Loup Division Project and similar water resource developments. I base this opinion on over 40 years of law practice involving impoundments of water for irrigation beginning in 1937 with the Platte Valley Public Power and Irrigation District. Also a basis for the above opinion is my experience as Governor and Lt. Governor of Nebraska, and as speaker and member of the Nebraska Legislature.

Sharing my opinion of the North Loup Division Project are the Governor of Nebraska, the Director of the University Conservation and Survey Division, the State Director of Water Resources, the State Director of the Nebraska Water Resources Commission and all of the Agricultural Associations of Nebraska.

Nebraska appreciates the appropriations in former years.

STATEMENT OF STATE SENATOR ELROY M. HEFNER OF NEBRASKA

I am writing this letter to you to urge you to support the appropriation bill for the funding for the North Loup Division Project (North Loup Irrigation Project) in Nebraska.

I understand the hearing on this appropriation bill will be the last days of March, 1982.

The North Loup Project will be funded at 38.9 million dollars. These funds will be used for the construction of the Calamus Dam, first section of the main canal and roads in the reservoir area. The North Loup Project is presently under construction with road relocation work, buildings and the dam foundation trench.

I am supporting the project and it has good local support. The Governor of Nebraska, along with the Congressional delegation are also supporting the project.

I would like to thank the committee for their past appropriations, and your favorable consideration will be greatly appreciated.

STATEMENT OF STATE SENATOR MAURICE A. KREMER OF NEBRASKA

I understand that the Senate and House Appropriations Committees will be holding hearings on Fiscal Year 1983 funding for the North Loup irrigation project late in March. I offer my continued strong support for the funding of this project.

Nebraska's economic future depends so much on its water supply, and especially for the use of irrigation. There are four areas in the state where we will likely run out of underground water as it is being presently used. We have much evidence at hand that the construction of this unit will supply recharge for the aquifer from which the North Loup area draws its water supply for irrigation. Therefore, the construction of the North Loup project will not only supply supplemental water, but also recharge the underground system.

Thank you for your consideration for this project which is so important to the State of Nebraska.

STATEMENT OF J. A. DINSDALE, PALMER, NEBR.

As a landowner and businessman in the territory of the North Loup Project, I am pleased to learn that construction is under way. The workers employed at the dam site will help to improve the economy within the area now, and after water is delivered to the lands to be served, a prosperous and stable economy should exist.

I am sure that if we were just now starting to work on this project, our distressed times would seriously affect the outcome. I wish to take this opportunity to stress that we need your support of the appropriation of $38,854,000. for fiscal year 1983.

STATEMENT OF ROLLAND ESSMAN, CHAIRMAN, BOARD OF TRUSTEES, SCOTIA, NEBR.

At the present time we are discussing with the Bureau of Reclamation regarding the canal and lateral alignments, and land acquistion around the Villageof Scotia. These discussions are an encouraging step in the progress of the construction of the North Loup Project.

The importance of the North Loup Project to the Board of Trustees and the Village of Scotia cannot be adequately expressed with just words; it is the positive action all of us are taking now to utilize our precious water supply to be used upon the lands of the Loup Valleys instead of flowing into the Missouri River to be lost to us forever.

Your Committee's past support and the Committee's present support for the North Loup Project is greatly appreciated. We are confident we can count on the Committee's continued support to approve the appropriation of $38,854,000.00 for Fiscal Year 1983 to provide funds for continued construction of the North Loup Project for which we thank you.

STATEMENT OF J. MARVIN WEEMS, ORD, NEBR.

The people of central Nebraska are most appreciative of your Committee's many favorable actions in the past on behalf of the North Loup Irrigation Project. Every day we see or hear evidence the project is progressing and will soon be operational.

We recognize this Project will go a long way to stabilize the economy of the area, the state and the nation. Americans are only now beginning to recognize the serious implications of an insufficient water supply, both above and below ground. Low cost irrigation is one long term, tangible way we can solve the current economic plight of the farmers and the consumer and is a compelling reason for the Project's early completion.

One thing all people have in common is the need for food. World wide it is fast becoming the key to peaceful co-existence. Accordingly, it is the one thing we cannot neglect as we figure out ways to cut budgets. Fish and wildlife habitat, recreation and, especially, the recharging of precious ground waters, are all welcome bonuses.

Your continued support of this Project will go far toward ensuring the economic and ecological health of our nation for generations to come.

You have our best wishes and thanks.

STATEMENT OF STATE SENATOR DONALD L. WAGNER OF NEBRASKA

In 1972, some 10 years ago, Congress gave its authorization to the North Loup Division in Nebraska. During the 10 year period there have been many ups and downs, as most projects have before they proceed under construction.

As you know, the North Loup Division is well under construction and what a blessing. As a person looks back and reflects on that 10 year period of time, it is best described as being like a mother giving birth to a newborn child, at least to myself. There were many labor pains, but as she looks at that beautiful new baby, she knows it was well worth each of those pains.

That newborn "babe" resides within my Legislative District. Many times those people who help bring a project such as this one to a reality are forgotten in the course of events and time. My purpose in being present now is to very sincerely thank the chairperson and the Committee members as well as staff, for all of your hard work, your time and consideration given to the North Loup Project, throughout the years. For those reasons, I, with the people in the 41st Legislative District, as well as many other people throughout the State of Nebraska say to you, "we are most grateful."

Water is one of our most valuable natural resources. The North Loup Project will store and conserve that resource. As the result of the North Loup Project water for irrigation, recreation, fish and wildlife habitat along with a ground water recharge, will be provided.

I give my full support to the North Loup Division, and I can honestly say the project has very strong support, both locally and state wide. In closing, I do want to thank the Committee for past appropriations and would ask the Committee to support the recommended appropriations for FY 1983.

STATEMENT OF KEITH DAVIS, SECRETARY-TREASURER, LOUP BASIN RECLAMATION DISTRICT

It is my pleasure to write this letter in support of the North Loup Division, Nebraska. I hae been Secretary-Treasurer of the Loup Basin Reclamation District, and Manager of the Farwell and Sargent Units for more than fifteen years. The Farwell and Sargent Units are Federal Irrigation Projects similar to the North Loup Project. As Manager of these Units, I have witnessed the many benefits which have come to the farmers using the facilities so provided, as well as the benefits received by all the citizens in the Area.

Presently, our Districts are embarking on a water conservation program so that a constant water supply can be available to the water users of the Districts for generations to come. We believe when construction of the North Loup Project is completed and the operation of the Project is transferred to the Twin Loups Reclamation District and the Twin Loups Irrigation District that these Districts will embark on the same water conservation program, all to the end that our precious water supply in the Loup Valleys will be maintained for the present and future uses of the Area.

Because of the tremendous economic and social benefits accuring to the people in the Farwell and Sargent Units, and since the North Loup Project is in many respects the same as these Units, I am confident the same economic and social benefits, as well as a similar water conservation program, can and will be achieved with the completion of the North Loup Project at the earliest possible date. It is for these reasons that I, as Secretary-Treasurer of the Loup Basin Reclamation District, and Manager of the Farwell and Sargent Units, strongly support the requested Appropriation of $38,854,000.00 for the North Loup Division for the Fiscal Year 1983.

STATEMENT OF STATE SENATOR ROBERT L. CLARK OF NEBRASKA

I appreciate the opportunity to again express my support for the North Loup Project which your committee will be hearing in the near future.

It is my understanding that $38.9 million dollars have been recommended for Fiscal Year 1983 in the construction of the Calamus Dam. Your efforts in this recommendation are certainly appreciated.

Senator Don Wagner of District 41 in Nebraska will be testfying before your committee on the North Loup Project. I do hope that you committee will be able to allocate funds again for this project.

STATEMENT OF MELVIN W. MEYER, PRESIDENT, HOWARD GREELEY RURAL PUBLIC POWER DISTRICT, NEBRASKA

As President of the Howard Greeley Rural Public Power District and on behalf of my Direcotrs, I am pleased to take this opportunity to express to you and your Committee the District's continued support of the North Loup Irrigation Project.

Our Rural Power District serves the area of the North Loup Project in the Counties of Howard and Greeley.

Accordingly, we are looking forward in providing electrical energy in the operation of the North Loup Irrigation Project, not only to the Water Users but to the District itself.

During the past years, our District has witnessed a tremendous economic impact on the area served by the Farwell Unit. Our Rural Public Power District is pleased to know that our District, in a measure, is being able to provide electrical energy to the irrigators in the Farwell Unit, all to the end that these people are presently enjoying a stable and economic way of life.

Since the North Loup Project is similar to the Farwell Unit, it is obvious to my Directors and to me, and the manager of the Public Power District, that the water users residing within the boundaries of the Twin Loups Reclamation District and The Twin Loups Irrigation District will be receiving similar economic and social benefitis.

As a Public Power District, we share with others the awareness of the need for water conservation in all the areas served by our District.

We believe, without reservation, that the North Loup Irrigation Project will not only conserve our present water supply but in a great measure, will enhance and continue to conserve that most important water supply, thereby assuring our area and the whole of the State of Nebraska an adequate and constant water supply for generations to come.

It is for the these reasons that we, the Directors of the Howard Greeley Rural Public Power District,believe in the North Loup Project and urge the approval of the FY 1983 appropriation of $38,854,000.00 so that the orderly and continued construction of this vitally important Irrigation Project can be completed on schedule.

Finally, we do want to commend you and your Committee for the confidence you have placed in the North Loup Project in providing funds in previous years to initiate construction of the Project.

STATEMENT OF STATE SENATOR MARTIN F. KAHLE OF NEBRASKA

The time for budgeting for the North Loup Division Project is again before the Appropriations Committee in Washington and the amount asked for this year would be $38.9 million which would be used to construct the Calamus Dam, or the first section of the main canal and roads in the reservoir area. The North Loup Project is presently well under construction and we hope this construction can continue. I certainly support this project and hope that money will continue to be made available so it may be completed. As a farmer and irrigator since 1934, I would certainly not want to be without irrigation in this part of the United States where rainfall is lacking to produce a full crop.

I am extremely pleased that this project is underway and that we are finally going to proceed, as I firmly believe unless we can conserve our water when it is available and running down the rivers that we are not going to have enough food and fiber for ourselves, and perhaps some of the rest of the world.

Thank you for your consideration.

STATEMENT OF STATE SENATOR HAROLD F. SIECK OF NEBRASKA

I would like to congratulate you and thank you for what you have done as far as the North Loup Project is concerned.

I have been a supporter of this project over the years. Even though I do not live in that particular area, I see the tremendous advantage of this type of project for the State of Nebraska and for the irrigation development that we need so much in this state.

The continued funding of this project is very important, especially at this time with the tight economic conditions. And, due to the fact that contractors are experiencing a construction drought, these construction projects may prove cheaper in the long run, as well as provide jobs in these troubled times.

So, I believe it would be very advantageous to consider appropriations for this project and, therefore, I ask that you act favorably on this project for the 1983 North Loup Division.

STATEMENT OF J. MICHAEL JESS, DIRECTOR, NEBRASKA DEPARTMENT OF WATER RESOURCES

By its past actions, this department has granted State approval for construction of the North Loup Unit. The project was found to be an enhancement to the public interest. Sufficient, unappropriated water is available to support it.

I have been to the construction site within the past year. In my judgment the project is being pursued with diligence. Barring any unforeseen delays, it should become operational as scheduled.

The Engineering Branch of this department has examined the plans for the Calamus Dam and found them technically satisfactory. Upon recommendation, I have approved the plans and thereby authorized construction of the dam.

I am pleased to report on the status of the North Loup Unit from the viewpoint of this department. Continued funding of the project is urged.

STATEMENT OF LEE ORTON, EXECUTIVE DIRECTOR, NEBRASKA ASSOCIATION OF RESOURCES DISTRICTS

The Nebraska Association of Resources Districts hereby reaffirms its position of support for funding for the North Loup division project for fiscal year 1983. Our Association has supported the construction of that project since 1974 when it considered a position for the first time.

We recognize that recommendations for fiscal 1983 are at a $38.9 million level and that those funds are to be used for construction of the Calamus Dam, the first section of the main canal and roads in the reservoir area.

We believe that a project of this nature will do much to help Nebraska and the Nation preserve and conserve and properly utilize its water and related land resources to the benefit of all citizens.

Please support those appropriations for a rapid completion of the project.

We thank you and your committee for their past support of appropriations for this most important project for Nebraska and the Nation.

STATEMENT OF DAYLE E. WILLIAMSON, EXECUTIVE SECRETARY, NEBRASKA NATURAL RESOURCES COMMISSION

The Nebraska Natural Resources Commission has reviewed the North Loup project budget request for fiscal year 1983, and we are of the opinion that the $38,854,000 request is very realistic. We urge approval of this request for the Bureau of Reclamation.

We are very pleased that construction is underway on this important project in Nebraska and wish to commend you and members of your subcommittee for your persistent efforts to assure completion of this project.

STATEMENT OF LAVERNE P. JACOBSEN, PRESIDENT, LOUP BASIN RECLAMATION DISTRICT

As President of the Loup Basin Reclamation District and the Farwell Irrigation District, I am pleased to write this letter of support for the continued construction program for the North Loup Division, Nebraska. We who reside in the Middle Loup Valley know the importance of irrigation water conservation. We believe when the North Loup Project is completed, this Project will be a great benefit to the Area, State and Nation. Not only will the North Loup Project provide farmers with surface water at a minimal cost, but will provide a ground water recharge which has been on decline in the North Loup River Valley.

Accordingly, it is our belief that the continued construction of the North Loup Division will bring to the North Loup and Loup River Valleys the same economic and social stability enjoyed by us who have been fortunate to have the Farwell and Sargent Units in operation for many years. Not only will the Project bring about the economic and social stability, but will also provide Nebraska a water conservation program which is so vital to all of us in the State of Nebraska.

Finally, I do want to extend to you and your Committe our sincere thanks for the appropriations you have provided in the past for the construction of the North Loup Project and I strongly urge your Committee to support and fund the North Loup Division, Nebraska in Fiscal Year 1983 in the sum of $38,854,000.00.

STATEMENT OF MYRON NIELSEN, CHAIRMAN, HOWARD COUNTY (NEBR.) BOARD OF COMMISSIONERS

The Board of Howard County Commissioners continues its strong support of the North Loup Project. During these past years, we, as a Board of County Commissioners, have observed the tremendous impact the Farwell Irrigation Project has had upon our County. We strongly believe this Project has assisted our County in stabilizing the tax structure of our County thereby making our County one of the sound and prosperous Counties of the State of Nebraska.

The North Loup Irrigation Project comprises a considerable portion of Howard County. The same social and economic benefits which have been enjoyed by the farmers residing in the Farwell Irrigation Project will certainly accrue to those who reside in the Twin Loups Reclamation District and The Twin Loups Irrigation District whose the boundaries are in Howard County, Nebraska, as well as those who reside in the other Counties served by the North Loup Irrigation Project.

As County Commissioners, we are constantly aware of water conservation in our Area. It is our belief the North Loup Project, when completed, will be a great benefit to Howard County, the other Counties served by the North Loup Project, as well as the remainder of our State, and the Nation as a whole.

The North Loup Project will provide a ground water recharge which has been on the decline in many areas of Central Nebraska due to those who are already irrigating.

Finally, it is the belief of our County Board of Commissioners that it is imperative that we store and use surface water in the area of origin rather than permitting it to flow uselessly to the Gulf of Mexico. To be sure, the stored water may be utilized for recreation, fish and wildlife habitats.

Therefore, we as the Board of County Commissioners of Howard County, Nebraska strongly urge the approval of Fiscal Year 1983 Appropriation of $38,854,000.00 for the North Loup Division in order that the final construction of this vital Irrigation Project can be completed at the earliest possible date.

STATEMENT OF ARLIE F. HEALD, PRESIDENT, LINCOLN (NEBR.) BUILDING AND CONSTRUCTION TRADES COUNCIL

The Lincoln Building & Construction Trades Council respectfully solicits the support of your Committee relative to the proposed fiscal 1983 funding of the North Loup Calamus Dam Project for the State of Nebraska.

Similar past projects of this nature have proven to be money well spent. Accordingly, we believe this Project is certainly worth your favorable recommendation.

Furthermore, and contrary to published Department of Labor Reports, we are experiencing a "construction depression" in many areas of Nebraska. Several contractors have been forced out of business, and some have been subjected to the woes of bankruptcy. Construction unemployment has reached an alarming level, ranging from a low of 10% to a high of approximately 95% unemployed workers in some craft-areas of the State. This Project offers jobs.

We will appreciate the consideration of you and your Committee on this important issue.

STATEMENT OF FRANCIE OSTERMEIER, CHAMBER MANAGER, ST. PAUL AREA CHAMBER OF COMMERCE

The St. Paul, Nebraska Area Chamber of Commerce continues to support the North Loup Irrigation Project.

Members of the St. Paul Area Chamber of Commerce recognize and know the tremendous benefits they have received by reason of the construction and operation of the Farwell Irrigation Project. Since more than 15,000 acres of the North Loup Project are within the St. Paul trade territory, the businessmen of St. Paul will be the beneficiaries of a stable business climate. The members of the St. Paul Area Chamber of Commerce want to take this means to express to you and your Committee their thanks for the favorable appropriations you have given to the North Loup Project in years past.

The St. Paul Area Chamber of Commerce now urges your Committee to act favorably on the appropriation of $38,854,000.00 for the Fiscal Year 1983 in order that the construction of the North Loup Project can be continued uninterrupted.

STATEMENT OF RICH HOWE, MANAGER, LOUP VALLEY ELEVATORS

As Manager of the Loup Valley Elevators located in St. Paul, Nebraska, I am pleased to take this means to support the FY 1983 Appropriation of $38,854,000.00 for the continued construction on the North Loup Project. In recent years, through the cooperation of the Union Pacific Railroad and the Loup Valley Elevators, rail lines were constructed from St. Paul, Nebraska to Grand Island, Nebraska. This rail improvement enables our Elevator to transport grain to the West Coast in unit trains made up of from 50-75 cars.

In the year 1981, the Loup Valley Elevators loaded twenty-three 75 Car Unit Trains loaded with Corn and one Unit Train loaded with Milo which left St. Paul with their destination ports on the West Coast. The ability of the Loup Valley Elevators to ship grain to the West Coast by unit trains is due primarily to an adequate and dependable grain supply resulting from the Farwell Project. As a result of our facilities at St. Paul, we believe with the early construction of the North Loup Project, we will be able to provide a similar favorable market for the farmers and irrigators in the Twin Loups Irrigation District.

Although the construction of gasohol plants in this area does not enjoy the same priority that it appears to have received in years past, I do want to bring to the attention of the Committee the fact that our Elevators are actively supporting the construction of a gasohol plant in St. Paul, Nebraska. Our facility in St. Paul, Nebraska has the ability to provide the raw materials used in a gasohol plant and that with the construction of such a plant, an even greater demand for our farm products raised on our already existing Farwell Unit and the crops raised on the North Loup Project will certainly insure such a plant adequate materials for the production of Grain Alcohol.

Accordingly, we at the Loup Valley Elevators in St. Paul, Nebraska strongly support the North Loup Project and urge the Congress to appropriate the requested funds of $38,854,000.00 for Fiscal Year 1983 so that construction of the North Loup Project can be continued. Such uninterrupted construction will be an assurance that water will be made available to the farmers to be served by the North Loup Project at the earliest possible date.

STATEMENT OF J. J. LEWIS, FORMER MAYOR, ST. PAUL, NEBR.

It is with pleasure that I write this letter in support of the North Loup Irrigation Project. For many years I had the good fortune to be Mayor of the City of St. Paul, Nebraska. As Mayor of our City, I can state without reservation that the Farwell Irrigation Project which is a Federal Irrigation Project is an important factor in making St. Paul, Nebraska one of the most prosperous and thriving municipalities within the State of Nebraska. Since the North Loup Irrigation District is a similar Project, I am convinced that the same economic benefits which are being enjoyed by our area can be realized by the people residing in the North Loup and Loup Valleys with the delivery of water to approximately 53,000 acres by the North Loup Project.

As a Doctor of Veterinary Medicine, in my work, I am in constant contact with the farmers of the area. Wherever I travel in this area, farmers are acutely aware of the decreasing ground water supply and they know that in order to sustain our present irrigation systems and our future irrigation systems, we must have water conservation. The North Loup Project when completed will provide a ground water recharge and consequently will enhance our ground water supply.

Finally, permit me to express to you our sincere appreciation to you and your Committee for having provided funds for the construction of the North Loup Project. Now, I strongly recommend the Congress of the United States the FY 1983 Appropriation in the sum of $38,854,000.00 for the continued construction of the Project, all to the end water can be delivered to the lands to be served by the Twin Loup Reclamation District and The Twin Loups Irrigation District at an early date.

STATEMENT OF STATE SENATOR JOHN DECAMP OF NEBRASKA

In view of the fact that water conservation is of the utmost importance to this and future generations and projects such as the North Loup Division provide the means for that conservation, I would ask that you give this project every consideration when it comes before your Appropriations Committee during the last days of March, 1982.

The need for water is basic to the necessities of life and cannot be ignored while we continue to deplete the water supply. We must continue projects like this to take advantage of the water resources.

Therefore, I ask that your Committee act favorably on the 1983 fiscal year appropriation for the North Loup Division.

STATEMENT OF CLARENCE H. SIXEL, PRESIDENT, STATE BANK OF SCOTIA, NEBR.

I am a resident residing within the boundaries of the Twin Loups Reclamation District. As you know, the Twin Loups Irrigation District is a co-sponsor of the North Loup Project.

Although I am not a farmer and will not directly benefit from the North Loup Project, I believe this Project is important to all of us.

The wise use of our limited water resources cannot be measured in terms of dollars and cents.

Your Committee's past support of the North Loup Project shows great foresightedness in the importance of sound water management for all of us residing in the Loup Valleys. So, I am confident we can count on your Committee to support the Fiscal Year 1983 appropriation of $38,854,000.00 for the North Loup Division for which I thank you very much.

STATEMENT OF STANLEY J. EDWARDS, PRESIDENT, CITIZENS BANK & TRUST CO., ST. PAUL, NEBR.

As President of the Citizens Bank & Trust Company in St. Paul, St. Paul, Nebraska, I am pleased to take this means to heartily endorse the North Loup Irrigation Project. I strongly urge the approval of FY 1983 Appropriation in the sum of $38,854,000.00 for the North Loup Division in order that construction of this urgently needed Irrigation Project can be continued, all to the end that water may be delivered to approximately 53,000 acres in the North Loup and Loup River Valleys at the earliest possible date.

I can say without reservation that by reason of the Farwell Project there has been a tremendous economic and social impact not only for the farmers who reside in the Farwell Irrigation District, but to the citizens of the City of St. Paul, Nebraska, and surrounding areas. Since the North Loup Irrigation Project is similar to the Farwell Irrigation Project, I am confident that the same social and economic benefits we enjoy in this area can be extended to and be enjoyed by the people residing in the North Loup and Loup River Valleys which will be served by the this Project.

Finally, with my constant association with the farmers in the area, I know first hand their concern for the conservation of our natural resource, water. I am confident that with the construction of the North Loup Irrigation Project the wise use of water and the conservation of this natural rescource will be carried on in a diligent manner by the farmers and irrigators residing in the Twin Loups Reclamation District and The Twin Loups Irrigation District, the Districts who will operate and administer this very important irrigation project.

I do want to take this means to thank you and your Committee for the support you have given this Project in years past and I shall be grateful for your continued support of this important and much needed Irrigation Project and I remain

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STATEMENT OF ROBERT H. SIXEL, EXECUTIVE VICE PRESIDENT, STATE BANK OF SCOTIA, NEBR.

I am a resident residing within the boundaries of the Twin Loups Reclamation District. As you know, the Twin Loups Irrigation District is a co-sponsor of the North Loup Project.

Although I am not a farmer and will not directly benefit from the North Loup Project, I believe this Project is important to all of us.

The wise use of our limited water resources cannot be measured in terms of dollars and cents.

Your Committee's past support of the North Loup Project shows great foresightedness in the importance of sound water management for all of us residing in the Loup Valleys. So, I am confident we can count on your Committee to support the Fiscal Year 1983 appropriation of $38,854,000.00 for the North Loup Division for which I thank you very much.

STATEMENT OF BERNARD R. CAMP, ELBA, NEBR.

As a businessman residing in the trade territory of the North Loup Project, I am pleased to learn that construction of this much needed Project has commenced. It is my further understanding that as of this date there are approximately 55 workers at the Calamus Dam and by reason of this increased employment, we believe the outlook for an improved economy in our area is bright. Further, we anticipate that the improved economy will not only continue during the construction of the North Loup Project but, after water is delivered to the lands to be served by the project a prosperous and stable economy will exist.

I am also confident that had the North Loup Project not become a reality at this time that in these distressed times, it would have been difficult for us to look forward to that prosperous and stable economy.

Finally, it is through your confidence in all of us that the North Loup Project is now under construction. So, I wish to take this opportunity to state that all of us need your committee's continued support of the appropriation of $38,854,000.00 for Fiscal Year 1983 and to be sure, I you and your Committee for this Support.

STATEMENT OF ELIZABETH POSS, NEBRASKA

I am a resident residing within the boundaries of The Twin Loups Reclamation District. As you know, the Twin Loups Irrigation District is a co-sponsor of the North Loup Project.

Although I am ~~not~~ a farmer and will ~~not~~ directly benefit from the North Loup Project, I believe this Project is important to all of us.

The wise use of our limited water resources cannot be measured in terms of dollars and cents.

Your Committee's past support of the North Loup Project shows great foresightedness in the importance of sound water management for all of us residing in the Loup Valleys. So, I am confident we can count on your Committee to support the Fiscal Year 1983 appropriation of $38,854,000.00 for the North Loup Division for which I thank you very much.

STATEMENT OF JOHN DANCZAK, COTESFIELD, NEBR.

I am a farmer residing in the Elba, Cotesfield, Scotia areas. These areas are within the boundaries of the Twin Loups Reclamation District. I have always supported the North Loup Project. Because of your Committee's confidence in us, construction of the Calamus Dam is underway. Accordingly, I want to take this opportunity to say "Thanks to you and the other members of your Committee" for getting the North Loup Project into construction .

We now are looking forward to the Committee's support for the $38,854,000.00 for the North Loup Division for Fiscal Year 1983 for the continued construction of the Calamus Dam and the First, Second and Third Sections of the Mirdan Canal.

I am convinced the future of farming in this area is going to be more and more dependent on the reliable water supply which will be made possible from the North Loup Project.

Again, I thank your Committee for its continued support of the North Loup Project and I remain

STATEMENT OF BERNARD DANCZAK, COTESFIELD, NEBR.

I am a farmer residing in the Elba, Cotesfield, Scotia areas. These areas are within the boundaries of the Twin Loups Reclamation District. I have always supported the North Loup Project. Because of your Committee's confidence in us, construction of the Calamus Dam is underway. Accordingly, I want to take this opportunity to say "Thanks to you and the other members of your Committee" for getting the North Loup Project into construction .

We now are looking forward to the Committee's support for the $38,854,000.00 for the North Loup Division for Fiscal Year 1983 for the continued construction of the Calamus Dam and the First, Second and Third Sections of the Mirdan Canal.

I am convinced the future of farming in this area is going to be more and more dependent on the reliable water supply which will be made possible from the North Loup Project.

Again, I thank your Committee for its continued support of the North Loup Project and I remain

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STATEMENT OF JEFFREY P. WALTMAN, NEBRASKA

At the present time I am being given the opportunity to discuss with the Bureau of Reclamation regarding the canal and lateral alignments, water delivery locations, land acquisition, and particularly, for the location for an irrigation turnout on my own farm. These discussion are an encouraging step in the progress of the construction of the North Loup Project.

The importance of the North Loup Project to myself and the area cannot be adequately expressed with just words; it is the positive action all of us are taking now to utilize our precious water supply to be used upon the lands of the Loup Valleys instead of flowing into the Missouri River to be lost to us forever.

Your Committee's past support and the Committee's present support for the North Loup Project is greatly appreciated. I am confident we can count on the Committee's continued support to approve the appropriation of $38,854,000.00 for Fiscal Year 1983 to provide funds for continued construction of the North Loup Project for which I thank you.

STATEMENT OF PHILLIP JENSEN, COTESFIELD, NEBR.

I am a farmer residing in the Elba, Cotesfield, Scotia areas. These areas are within the boundaries of the Twin Loups Reclamation District. I have always supported the North Loup Project. Because of your Committee's confidence in us, construction of the Calamus Dam is underway. Accordingly, I want to take this opportunity to say "Thanks to you and the other members of your Committee" for getting the North Loup Project into construction .

We now are looking forward to the Committee's support for the $38,854,000.00 for the North Loup Division for Fiscal Year 1983 for the continued construction of the Calamus Dam and the First, Second and Third Sections of the Mirdan Canal.

I am convinced the future of farming in this area is going to be more and more dependent on the reliable water supply which will be made possible from the North Loup Project.

Again, I thank your Committee for its continued support of the North Loup Project and I remain

STATEMENT OF RALPH SPILINEK, ELBA, NEBR.

As a businessman residing in the trade territory of the North Loup Project, I am pleased to learn that construction of this much needed Project has commenced. It is my further understanding that as of this date there are approximately 55 workers at the Calamus Dam and by reason of this increased employment, we believe the outlook for an improved economy in our area is bright. Further, we anticipate that the improved economy will not only continue during the construction of the North Loup Project but, after water is delivered to the lands to be served by the Project a prosperous and stable economy will exist.

I am also confident that had the North Loup Project not become a reality at this time that in these distressed times, it would have been difficult for us to look forward to that prosperous and stable economy.

Finally, it is through your confidence in all of us that the North Loup Project is now under construction. So, I wish to take this opportunity to state that all of us need your Committee's continued support of the appropriation of $38,854,000.00 for Fiscal Year 1983 and to be sure, I thank you and your Committee for this support.

STATEMENT OF LOUIS A. SPILINEK, ELBA, NEBR.

I am a resident residing within the boundaries of The Twin Loups Reclamation District. As you know, the Twin Loups Irrigation District is a co-sponsor of the North Loup Project.

Although I am not a farmer and will not directly benefit from the North Loup Project, I believe this Project is important to all of us.

The wise use of our limited water resources cannot be measured in terms of dollars and cents.

Your Committee's past support of the North Loup Project shows great foresightedness in the importance of sound water management for all of us residing in the Loup Valleys. So, I am confident we can count on your Committee to support the Fiscal Year 1983 appropriation of $38,854,000.00 for the North Loup Division for which I thank you very much.

STATEMENT OF RICHARD SPILINEK, ELBA, NEBR.

I am a farmer residing in the Elba, Cotesfield, Scotia areas. These areas are within the boundaries of the Twin Loups Reclamation District. I have always supported the North Loup Project. Because of your Committee's confidence in us, construction of the Calamus Dam is underway. Accordingly, I want to take this opportunity to say "Thanks to you and the other members of your Committee" for getting the North Loup Project into construction .

We now are looking forward to the Committee's support for the $38,854,000.00 for the North Loup Division for Fiscal Year 1983 for the continued construction of the Calamus Dam and the First, Second and Third Sections of the Mirdan Canal.

I am convinced the future of farming in this area is going to be more and more dependent on the reliable water supply which will be made possible from the North Loup Project.

Again, I thank your Committee for its continued support of the North Loup Project.

STATEMENT OF CLARENCE F. OBERMEIER, ELBA, NEBR.

Although I am not a farmer and will not benefit directly from the North Loup Project, I believe the construction of the Project is important to all of us.

Your Committee's past support of the North Loup Project shows great forthsightedness in the importance of sound water management for the people residing in the Loup Valleys. For that support, I want to say to you and the other members of your Committee "Thanks", and another "Thanks" for the Committee's support for the Fiscal Year 1983 appropriation of $38,854,000.00 for the continued construction of the North Loup Project.

STATEMENT OF ELAINE (SPILINEK) ROSS, GRAND ISLAND, NEBR.

Although I am not a farmer and will not benefit directly from the North Loup Project, I believe the construction of the Project is important to all of us.

Your Committee's past support of the North Loup Project shows great forthsightedness in the importance of sound water management for the people residing in the Loup Valleys. For that support, I want to say to you and the other members of your Committee "Thanks", and another "Thanks" for the Committee's support for the Fiscal Year 1983 appropriation of $38,854,000.00 for the continued construction of the North Loup Project.

STATEMENT OF CARL A. AMBROSE, ELBA, NEBR.

I live within the boundaries of the Twin Loups Reclamation District which includes the area to be served by the North Loup Project.

I would like to take this opportunity to express to your Committee my thanks for the Committee's past support of our North Loup Project.

I believe the wise development of our water resources is not only important to our area, but such development is in the best interest of all the people of the State of Nebraska, including the Nation as a whole.

We sincerely need your Committee's continued support of the Fiscal Year 1983 ($38,854,000.00) Budget for the North Loup Division. With your Committee's support, construction of the Calamus Dam and the Canals to supply waters to the lands of the North Loup Project can continue uninterrupted.

Thank you again for your Committee's efforts on our behalf in obtaining these necessary funds and I remain

STATEMENT OF DIANE M. TUMA, ELBA, NEBR.

I am a resident residing within the boundaries of The Twin Loups Reclamation District. As you know, the Twin Loups Irrigation District is a co-sponsor of the North Loup Project.

Although I am not a farmer and will not directly benefit from the North Loup Project, I believe this Project is important to all of us.

The wise use of our limited water resources cannot be measured in terms of dollars and cents.

Your Committee's past support of the North Loup Project shows great foresightedness in the importance of sound water management for all of us residing in the Loup Valleys. So, I am confident we can count on your Committee to support the Fiscal Year 1983 appropriation of $38,854,000.00 for the North Loup Division for which I thank you very much.

STATEMENT OF HAROLD D. CHRISTENSEN, EXECUTIVE VICE PRESIDENT, NEBRASKA STATE BANK

We are very pleased that constructive action was taken in securing additional appropriations for the Twin Loups Project in our area.

Financing at this time is most important due to the lower bids coming in below the estimated costs.

We can see many benefits, such as new people in our communities that are working on the project, and many of these families will eventually stay in this area permamently. We have tried at our bank to help in the securing of loans for some of these people both for housing and a personal nature. It is rewarding to see the new families attending church and also having their association in our different schools in this territory.

We have had a recent upgrading of our railroad facilities in this area, and this would be partly due to this project. We will be having additional grain storage and unit train capacity to handle the increased crop production from the additional irrigated acres. This all serves to better the financial position of these various communities.

We are highly concerned with our underground water supply and hopefully this project will help with acquifier recharge.

This project is now off to a good start and with continued timely financing will see it through to a most desirable and beneficial end.

RESOLUTION OF NEBRASKA WATER RESOURCES ASSOCIATION

SUBJECT: Funding of the North Loup Division reclamation project

SUMMARY: To recognize the past support and funding for the North Loup Division reclamation project in and by the Congress, and to urge full funding for the fiscal 1983 budget.

To declare a statement of position regarding an issue of concern to the Nebraska Water Resources Association and its purposes and objectives, and of concern to and in the best interests of the State of Nebraska, it is hereby

RESOLVED, that the Nebraska Water Resources Association has long supported the conservation and wise use of Nebraska's water resources for the maximum benefits they may provide for domestic, agricultural, fish and wildlife, recreational, and economic purposes; and

RESOLVED, that the North Loup Division reclamation project was authorized by the U.S. Congress for construction in 1972, that the North Loup project is currently under construction, and that the fiscal 1983 federal budget contains nearly $39 million in construction funds for the project; and

RESOLVED, that the earliest possible completion of the North Loup project is in the best interests of the people and the State of Nebraska; and

RESOLVED, that the Nebraska Water Resources Association expresses its appreciation to the Congress and the federal government for their past and continuing support of the North Loup Division, and urges the Congress to approval full funding for construction continuation provided in the fiscal 1983 budget.

STATEMENT OF VIRGIL WRICH, NEBRASKA LAND IMPROVEMENT CONTRACTORS ASSOCIATION

While I ammot a resident of the immediate area of the North Loup, I am convinced for the citizens of Nebraska that this project is essential. In order to maintain a healthy, thriving agricultural economic level in the state of Nebraska, we must continue this project which is presently well under construction.

Beyond the economic benefits to the state of Nebraska, the economic and conservation impact upon the nation strongly supports continued appropriation for this project.

I believe fully in the benefits which can be derived from the early storage of surface water for our future uses as well as our immediate irrigational needs. Storage of water is not a means of the future, but a means of the present to protect our future.

I am president of the Nebraska Land Improvement Contractors Assn. We as an association are dedicated to the preservation of soil and water. We presently have 228 members, and therefore, we urge this Committee to view with favor the request for funds for the North Loup Project for the FY 1983, and to express my appreciation for your past appropriations. I thank you for your consideration at this time for this project.

STATEMENT OF STATE SENATOR HOWARD LAMB OF NEBRASKA

While I am not a resident of the immediate area of the North Loup, I am convinced as a representative for the citizens of Nebraska that this project is essential. In order to maintain a healthy, thriving agricultural economic level in the state of Nebraska, we must continue this project which is presently well under construction.

Beyond the economic benefits to the state of Nebraska, the economic and conservation impact upon the nation strongly supports continued appropriation for this project.

I believe fully in the benefits which can be derived from the early storage of surface water for our future uses as well as our immediate irrigational needs. Storage of water is not a means of the future, but a means of the present to protect our future.

I, therefore, urge this Committee to view with favor the request for funds for the North Loup Project for the FY 1983, and to express my appreciation for your past appropriations. I thank you for your consideration at this time for this project.

STATEMENT OF STATE SENATOR WILLIAM E. NICHOL OF NEBRASKA

I am writing you in regard to the North Loup Division Project which will be discussed by your Committee. The fiscal year appropriation for 1983 has been recommended at $38.9 million. These funds will be used for construction of the Calamus Dam, first section of the main canal, and roads in the reservoir area. I feel the cost/benefit ratio is favorable when considered in conjunction with the total financial impact this project will have in the effected areas.

As you are undoubtedly familiar with the long term benefits of such irrigation projects from experience in the area of your representation, I need not go into further detail as to the total value of such projects to local economies. I would like to thank the Committee for their past appropriations. The North Loup Project is well under construction with road relocation work, buildings, and the Calamus Dam foundation trench. The area I represent would sincerely appreciate your support for the North Loup Division and ask your Committee to act with favor on the appropriation.

STATEMENT OF STATE SENATOR STEVE WIITALA OF NEBRASKA

As a Nebraska state senator and member of the Legislature's Agriculture Committee, I have had an opportunity to become acquainted with the issue of the North Loup Project. You are already aware of the harsh economy in which agricultural areas must compete. In my opinion completion of the North Loup Project will contribute to improvement in agricultural production, with positive implications to the economy of the region, and to the nation as well.

As we in Nebraska take stock of our position in the national economy, we notice the importance of preserving our resources and using them wisely. Early storage of surface water for our future uses as well as for irrigational needs seems to make sense.

Therefore, I urge this Committee to view with favor the continued funding of the North Loup Project for fiscal year 1982. Your past actions in this area have earned you the gratitude of many Nebraskans. Your continued support will benefit both Nebraska and the nation.

GUERNSEY DAM MODIFICATIONS, WYOMING AND NEBRASKA

PREPARED STATEMENTS OF SENATORS EXON AND ZORINSKY OF NEBRASKA

Senator HUDDLESTON. Without objection, the statement submitted by Senators Exon and Zorinsky will be incorporated at this point, along with a detailed statement of the Gaston Irrigation District which supports funding for the Guernsey safety of dams project.

[The statements follow:]

JOINT STATEMENT OF SENATOR EDWARD ZORINSKY AND SENATOR J. JAMES EXON

Mr. Chairman, we are pleased to submit testimony for the record in support of modifications to the Guernsey Dam, North Platte River Project, Wyoming.

We are writing to indicate our concern about the Administration's budget request which deletes funding for the repair of the North Spillway of Guernsey Dam, North Platte River Project, Wyoming.

The budget request deletes $2.3 million for repair of the North Spillway of Guernsey Dam. Because Guernsey Dam is an integral part of the North Platte irrigation system in Western Nebraska, it is imperative to maintain the dam as a safe and efficient component of this system.

The North Spillway of the Guernsey Dam is in such poor condition that it cannot now safely handle the Inflow Design Flood (IDF) without substantial damage occuring to the structure itself. The Reclamation Safety of Dams Act of 1978 (PL 95-578) authorized necessary modifications with non-reimbursable funding. This request is exactly the type of dam safety project contemplated by Congress when the above act was adopted. It should be funded.

The dam was constructed between 1925 and 1927 as a part of the multi-purpose North Platte Project which, in addition to other benefits, provides water to 226,000 acres of irrigable lands in eastern Wyoming and western Nebraska and supplemental water for 108,000 acres of irrigable lands.

According to the U. S. Department of the Interior in its report, Modification of Guernsey Dam, modifications to Guernsey Dam are required because of badly deteriorated concrete in the spillway chute invert and walls. Flows in the spillway exceeding about 12 percent of the design capacity cause severe disintegration of the spillway, erode the embankment, and cause failure of the dam. The modification work involves removal and replacement of existing concrete with a current state-of-the-art concrete overlay. The work will restore the design capacity of the spillway, thereby ensuring safe passage of large flood flows. The estimated total cost to perform the work, based on October 1982 price levels, is approximately $2.3 million. This is a small price to pay to correct a currently unsafe structure.

We strongly recommend funding for modification to Guernsey Dam for the upcoming fiscal year.

STATEMENT OF NEAL PAYNE, PRESIDENT, GOSHEN IRRIGATION DISTRICT, ALSO REPRESENTING THE GERING-FORT LARAMIE IRRIGATION DISTRICT, PATHFINDER IRRIGATION DISTRICT, AND NORTHPORT IRRIGATION DISTRICT

I am Neal Payne, President of Goshen Irrigation District, representing not only the Goshen Irrigation District, but also Gering-Ft. Laramie Irrigation District, Pathfinder Irrigation District and Northport Irrigation District, and I have with me here at the witness table Phil Hort, Vice President of the Gering-Ft. Laramie Irrigation District, Dale Staman, President of the Pathfinder Irrigation District and Roy Netherland, Vice President of the Pathfinder Irrigation District.

It is our understanding that the funding for Safety of Dams Act (Public Law 95-578) which included the sum of $2,340,000 necessary for the repair of the North Spillway of the Guernsey Dam, located in Platte County, Wyoming, has been deleted from the budget. The North Spillway is in such a deteriorated condition that it needs immediate modification and repair.

Our purpose here today is to attempt to convince you that it is absolutely imperative and necessary that this amount should be restored to the budget for the purpose of providing the necessary modifications and repairs to the North Spillway to the Guernsey Dam.

All of the irrigation water, for the most part, except underground well water, used in Goshen County, Wyoming, Scotts Bluff County, Sioux County and Morrill County, Nebraska originates in the mountains, and is conveyed down the North Platte River through Seminoe Reservoir, Kortes Reservoir, Pathfinder Reservoir, Alcova Reservoir, Grey Reef Reservoir, Glendo Reservoir and Guernsey Dam. This is commonly known as the North Platte Project. The North Platte Project was one of the first projects constructed under the Reclamation Act of 1902. The first irrigation water was delivered in 1908 and the Project was essentially completed in 1927 when Guernsey Dam was placed in operation. The water passing through Guernsey Dam is used to irrigate approximately 334,000 acres of land in eastern Wyoming and western Nebraska. Guernsey Dam holds approximately 45,228 acre feet of water.

Guernsey Dam was constructed by the Bureau of Reclamation and completed in the year 1927. The North Spillway, because of time and weather conditions, has now deteriorated to the point where it can only handle 6,000 cubic feet per second of water when it should be in such condition to handle 52,000 cubic feet per second of water safely. Even passing 6,000 cubic feet per second of water through the spillway at this time poses a dangerous situation and the spillway could give way, preventing the irrigation to all the farmlands under the project besides causing other untold economic loss to structures down stream, loss of crops, loss of revenue, not only to the farmers but to all of the inhabitants of the states and counties involved. This spillway could be required to handle a tremendous amount of water, especially if flood conditions occurred and the upper reservoirs had to release water. Seminoe Reservoir has a capacity of 1,010,825 acre feet, Kortes has a capacity of 4,765 acre feet, Pathfinder Reservoir has a capacity of 1,015,888 acre feet, Alcova Reservoir has a capacity of 184,295 acre feet, Grey Reef Reservoir has a capacity of 1,804 acre feet, Glendo Reservoir has a capacity of 795,196 acre feet. Obviously then there is a potential of approximately 3,000,000 acre feet of water above Guernsey Dam which increases the danger if any of this water was forced released because of flooding. It would have to come into and out of Guernsey Dam using the spillway. In the year 1972 the State of Wyoming measured 24,000 c.f.s. coming into Glendo which would amount to 48,000 acre feet in 24 hours and which, if forced to be released from Glendo would have to come into Guernsey Dam creating an extremely hazardous condition for the North Spillway if the water had to be released at one time from Guernsey Dam.

The spillway has experienced severe deterioration, in spite of performance of reasonable and normal maintenance, because of the severe freeze-thaw effects on the non-air-entrained concrete. An air-entrained concrete overlay in the spillway is necessary to prevent failure of the spillway and subsequent failure of the dam during the occurrence of high spillway flows. The proposed work will also protect the old concrete from future freeze-thaw attack.

Through the Freedom of Information Act we have been able to obtain from the Bureau of Reclamation numerous reports and correspondence regarding the North Spillway. We are submitting to the Committee for your information a summary of such information obtained which summary is in chronological order by years starting with the year 1958 up to the present time. This summary consists of four sheets and is marked Exhibit "A" for identification purposes.

You will note that the Bureau has been on top of the situation, recognizing in the year 1973 that something had to be done and recommending that a program be initiated which would rehabilitate the spillway involved. I want especially to call your attention to the year 1981 and the present stating:

1981 - **The districts were sent a letter on November 4, 1981 (with attached revised "Modification of North Spillway Report", stating that the report had been forwarded to Congress** (previously approved by the Secretary of the Interior and OMB) on September 28, 1981. The report was approved by Congress by the fact that Congress did not take any action during the 60-day notification period. The letter stated that "The necessary modification work on Guernsey Dam, as explained in the enclosed report, is considered nonreimbursable due to changes in the state-of-the-art, and modification preconstruction activities for the necessary work are to commence upon notification of congressional approval or termination of the required 60-day period."

Present - The districts have completed (by contract through the Bureau) the work on the rock channel below the channel and were required to spend an additional $115,923.51 of funds from their O&M budgets. This additional cost, plus the $436,000 that Pathfinder Irrigation District has spent on Safety of Dams work on Lake Alice Dam No. 1 has put a financial "squeeze on the districts." But, more important is the fact that the districts have rehabilitated the rock channel below the spillway; and the United States told them that it would repair the north spillway chute with nonreimbursable funds in fiscal years 1982 and 1983. Now, if a large flood should occur above Guernsey, and large releases are passed through the north spillway, and if it should fail, there is a good chance that the area below the spillway would be washed away (see 1981 modification report). Thus negating the districts' $365,923.51 investment. Thus, if the Districts had known that the U.S. Government would not complete the North Guernsey Spillway as promised, they would not have taxed their people and used these funds for the necessary channel repair. Each year that the North Guernsey Spillway safety repairs are delayed, places their $365,923.51 investment in the channel repair in jeopardy.

I will, at this time, hand out copies of a document prepared by the Bureau of Reclamation, revised March, 1981, consisting of 23 pages, 6 exhibits, and 3 pages of photographs, entitled "Modification of North Spillway Guernsey Dam, North Platte Project, Wyoming". I apologize if I do not have enough copies for everyone here and I ask that you share your copy of this report. This report is a government publication and more copies can be made available, if needed, I feel confident. This report I urge you to read and study because we honestly believe that it gives a fair and accurate history, evaluation, and clearly shows the need for corrective measures and modifications to the North Spillway and contains the recommendations of the Bureau of Reclamation itself. I would further urge and request that you examine the Exhibits and photographs shown at the end of the report.

We are also submitting to you a copy of a letter from the United States Department of the Interior dated September 28, 1981, addressed to the President of the Senate, which has been marked Exhibit "B" for identification purposes, and provide, not only this letter, but also the previously mentioned report for inclusion in the record.

Upon reliance that the Bureau would, in fact, make the necessary repairs to the North Spillway of the Guernsey Dam, the irrigation districts, at the request of the Bureau, recently expended approximately $366,000.00 for spillway repairs; each of the districts deriving their money by assessment from landowners receiving irrigation water within their respective districts. If the modification and repair of the North Spillway is not performed by the Bureau as promised and the spillway, in fact, gives way, it will destroy all the repairs made at the Districts' expense.

Farmers, as you know, are presently going through hard times and certainly they do not have the money to waste to send a delegation to Washington unless there is deep concern and urgency as there is in this instance.

We fully realize that there has to be some expenses cut from the budget, but we also realize and believe that there was error and a great injustice done when the money for this particular project was cut from the budget. Water is the lifeline of all the people in the communities and the states involved, and we do not believe that such an urgent situation as the present one can be ignored or the lifeline withdrawn The North Platte Project irrigated lands produce crops valued at approximately $85,000,000.00 annually and many economists have stated that these agricultural dollars turn over 6 to 8 times in the individual communities involved. Just for example, we will take the median and say 7 times, that amounts to a cash flow loss in the community of $595,000,000.00 if the spillway gives out. No computation of dollar loss has been made for possible personal injuries, loss of life and property damage that could occur if the spillway gives out. You would have to speculate as to a flood causing it or just normal deterioration and either, as you know, is possible.

The situation involved is urgent or we would not be here. We ask and pray that in some way you see that these funds are restored to the budget.

Thank you for permitting us to appear before this Committee and to relate to you, our side.

EXHIBIT "A"

REHABILITATION OF THE NORTH SPILLWAY
GUERNSEY DAM
CHRONOLOGICAL EVENTS

1958 - Repairs in the form of concrete patching were made to various areas of the north spillway chute, under the normal maintenance program.

1960 - The 1960 Review of Maintenance of Major Facilities Report mentioned deterioration of the concrete in the north spillway chute and recommended repairs be started within the next 5 to 10 years. The 1960 report also mentioned problems of erosion in the channel below the chute.

1965 - The 1965 Review of Maintenance of Major Facilities Report mentioned deterioration of the concrete in the north spillway chute and recommended repairs be instituted within 5 years. The 1965 report also mentioned problems of erosion in the channel below the chute.

1968 - The 1968 Review of Maintenance Report recommended that a control grid of the natural rock outlet channel be established so that future erosion could be measured and recorded.

1970 - In 1970, 1971, 1972 and 1973 survey cross-sections of the natural cross-sections showing the progression of the erosion were made.

1973 - Record flows were released through the spillway during the irrigation season. The maximum flow was approximately 9,000 cfs, with the average for the season approximately 5,400 cfs. The erosion of the material below the chute progressed as a much more rapid rate as a result of these high flows. The Bureau at this time recommended a program be initiated which would lead to the rehabilitation of the spillway chute and downstream channel area (within 3 to 5 years).

1974 - The Bureau made the determination that a large flood release through the north spillway would most likely damage the concrete chute and further erode the outlet channel and result in a partial failure of the concrete chute.

1976 - The four Government districts entered into a contract (14-06-700-8443) with the Department of the Interior; the intent of the contract being that the Bureau would award a contract in 1981 for the repair of the north spillway chute and downstream channel. The districts agreed to release $100,000 to the United States, which was held in trust by the United States, as provided in article 9 of the 1952 Amendatory Contract between the United States and the districts, and to create a sinking fund account to cover the districts' remaining share of the costs. At that time the Bureau estimated the total construction cost to be $500,000, with the districts' share being $250,000 (see exhibit A of the contract).

1977 - In 1977 a core drilling program was conducted in the north spillway chute. The results of these core samples indicated that the concrete in the chute had deteriorated as a result of freeze-thaw action, which was largely a result of using non-air-entrained concrete during construction.

1979 - The Bureau issued a report entitled "Guernsey Dam Modification." The report recommended that the rehabilitation of the north spillway chute of Guernsey Dam be completed by the spring of 1982 to ensure the safety of the structure during the occurrence of the IDF (Inflow Design Flood). The report went on to state that "The modification and rehabilitation would provide necessary protection for the spillway in passing of floods greater than 100-year frequency. The proposed rehabilitation involves removing concrete in the invert and sidewalls which has been damaged by freeze-thaw action and replacement with a 9-inch concrete overlay. This repair, in addition to channel improvements downstream from the dam, is necessary to prevent the failure of the spillway and erosion of the dam embankment during the passage of large flows." This 1979 report went on to state that the work on the Guernsey spillway chute met the requirements of the "Reclamation Safety of Dams Act of 1978" (Public Law 95-578), signed by the President on November 2, 1978. The Safety of Dams Act provided for nonreimbursable rehabilitation resulting from freeze-thaw attacks in concrete placed before 1945, when a change in the state-of-the-art occurred in mix design.

Aug 30, 1979 - The four Government districts were sent a letter from the North Platte River Projects Office (with attached memorandum from the Assistant Commissioner to the Regional Director) stating that the work on the north spillway qualified for nonreimbursable Safety of Dams funds according the the proposed "Criteria for Safety Related Modifications to Dams."

1980 - On the basis of the August 30, 1979 letter and the promise that the North Guernsey Spillway would be placed in a safe operating condition with federal funds in the near future, the districts agreed to utilize their resources and let the Bureau issue bids (Spec. No. 7D-C7438) in August of 1980 for the rehabilitation of the rock channel below the spillway chute.

1981 - The work on the rock channel was completed in the spring of 1981; the total construction cost (final) as of July 31, 1981 was $731,847.05, with the districts' share being $365,923.51. This amount being $115,923.51 over the amount set up in the trust fund and the sinking fund account.

1981 - The districts were sent a letter on November 4, 1981 (with attached revised "Modification of North Spillway Report", stating that the report had been forwarded to Congress (previously approved by the Secretary of the Interior and OMB) on September 28, 1981. The report was approved by Congress by the fact that Congress did not take any action during the 60-day notification period. The letter stated that "The necessary modification work at Guernsey Dam, as explained in the enclosed report, is considered nonreimbursable due to changes in the state-of-the-art, and modification preconstruction activities for the necessary work are to commence upon notification of congressional approval or termination of the required 60-day period."

Present - The districts have completed (by contract through the Bureau) the work on the rock channel below the channel and were required to spend an additional $115,923.51 of funds from their O&M budgets. This additional cost, plus the $436,000 that Pathfinder Irrigation District has spent on Safety of Dams work on Lake Alice Dam No. 1 has put a financial "squeeze on the districts." But, more important is the fact that the districts have rehabilitated the rock channel below the spillway; and the United States told them that it would repair the north spillway chute with nonreimbursable funds in fiscal years 1982 and 1983. Now, if a large flood should occur above Guernsey, and large releases are passed through the north spillway, and it should fail, there is a good chance that the area below the spillway would be washed away (see 1981 modification report). Thus negating the districts' $365,923.51 investment. Thus, if the Districts had known that the U.S. Government would not complete the North Guernsey Spillway as promised, they would not have taxed their people and used these funds for the necessary channel repair. Each year that the North Guernsey Spillway safety repairs are delayed, places their $365,923.51 investment in the channel repair in jeopardy.

LETTER FROM U.S. DEPARTMENT OF THE INTERIOR

In Reply Refer To:
LSR 3000/510.

SEP 28 1981

Honorable George Bush
President of the Senate
Washington, DC 20510

Dear Mr. President:

As provided for in the Reclamation Safety of Dams Act of 1978, Public Law 95-578, November 2, 1978, we find that it is necessary to construct modifications to Guernsey Dam, North Platte River Project, Wyoming. The enclosed report, Modification of Guernsey Dam, was prepared in accordance with the act. Also enclosed is a letter to the Office of Management and Budget (OMB) advising of the finding that modifications are required to insure the safety of Guernsey Dam. OMB has reviewed the report and has concurred with our recommendation.

The act requires, "That no funds shall be obligated for carrying out actual construction to modify an existing dam under authority of this act prior to sixty days . . . from the date that the Secretary has transmitted a report on such existing dam to Congress". Preconstruction activities will commence upon notification of congressional approval or termination of the required 60-day period to ensure early correction of this safety problem.

Modifications to Guernsey Dam are required because of badly deteriorated concrete in the spillway chute invert and walls. Flows in the spillway exceeding about 12 percent of the design capacity cause severe disintegration of the poor quality concrete. Substantially larger flows will cause destruction of the spillway, erode the embankment, and cause catastrophic failure of the dam. The modification work involves removal and replacement of existing concrete with a current state-of-the-art concrete overlay. The work will restore the design capacity of the spillway thereby ensuring safe passage of large flood flows as well as the inflow design flood. The estimated total cost to perform the work, based on October 1982 price levels, is approximately $2.3 million.

As further provided by the act, ~~the cost of this work is determined to be nonreimbursable through application of Section 3. The modification work is required as a result of changes in the state-of-the-art criteria and deemed necessary for the safety of the dam.~~

Sincerely,

(Sgd) Donald P. Hodel

ACTING SECRETARY

United States
Department of the Interior

Water and Power Resources Service

NORTH SPILLWAY MODIFICATION
GUERNSEY DAM

North Platte Project
Wyoming - Nebraska

The Reclamation Safety of Dams Act of 1978 (Act of November 2, 1978, 92 Stat. 2471) requires this report as the initial step in requesting authorization for safety-related modifications to a dam. The purpose of this report is to support a modification program for the north spillway chute at Guernsey Dam.

Lower Missouri Region
Denver, Colorado

Revised
March 1981

In May of 1981, the Secretary of the Interior approved changing the Water and Power Resources Service back to its former name, the Bureau of Reclamation. All references in this publication to the Water and Power Resources Service should be considered synonymous with the Bureau of Reclamation.

INTRODUCTION

This report recommends modification of the north spillway chute of Guernsey Dam located on the North Platte River in Platte County, eastern Wyoming. The report contains pertinent information on existing conditions at Guernsey Dam, corrective measures considered, and modifications proposed to correct safety deficiencies identified.

Guernsey Dam cannot be operated to pass more than 170 m^3/s (6,000 ft^3/s) through the north spillway without causing disintegration of the deteriorated concrete in the spillway chute progressively leading to failure of the spillway and subsequent catastrophic failure of the dam from spillway flows eroding a breach in the embankment. The modification is necessary to restore tne 1472 m^3/s (52,000 ft^3/s) required capacity of the north spillway thereby ensuring the safety of the dam.

The proposed modification involves removing concrete in the invert and sidewalls which has been damaged by freeze-thaw (F-T) action and replacement with a 228-mm (9-in) concrete overlay. Estimated cost of the rehabilitation work based on fiscal year 1983 price level is $2,340,000.

The Reclamation Safety of Dams Act of 1978 (Public Law 95-578), signed by the President on November 2, 1978, authorized necessary modifications at existing Federal reclamation dams for safety of dams purposes. Funding not to exceed $100,000,000 was made available to accomplish the needed work. The Act provides for nonreimbursable funding of modifications of dams, the cause of which results from new hydrologic or seismic data or changes in the state-of-the-art criteria, deemed necessary for safety purposes. The nonreimbursable requirement has been clarified and concurred with by the Office of Management and Budget. Clarification was necessary when modifications under the Act actually extends the useful life of the facility beyond that for which it was originally designed.

PRESENT SITUATION

As part of the Safety Evaluation of Existing Dams (SEED) Program, a study was made to determine the adequacy of Guernsey Dam and Reservoir to safely pass the revised Inflow Design Flood (IDF) based on present day hydrologic data.

The hydrologic study and onsite examination shows that the dam, spillway, and reservoir would not be able to safely pass the IDF in its present condition without causing substantial damage to the structure. Very rapid loss of reservoir storage would result in catastrophic consequences downstream to lives and property. The manner and consequences of dam failure are described in the section titled "Need for Corrective Measures."

The concrete in the north spillway needs to be modified to ensure safe operation and prevent failure of the spillway and dam during large floods. The spillway has experienced severe deterioration, in spite of performance of reasonable and normal maintenance, because of severe F-T attack on the non-air-entrained concrete. Whereas it was once thought that all desirable properties of concrete depended upon securing a maximum of solid substance, it is now recognized that the most dense concrete is not necessarily the most durable. This fact was realized in 1938 with the discovery that small amounts of well dispersed entrained air multiplied its resistance several times to F-T deterioration. This led to the widespread use of air-entraining agents introducted in the mixing of concrete. This was incorporated as standard practice in Bureau of Reclamation (currently Water and Power Resources Service) dams in the mid-1940's. Guernsey Dam, completed in 1927, was not constructed using air-entrained concrete.

An air-entrained concrete overlay in the spillway is necessary to prevent failure of the spillway and subsequent failure of the dam during the occurrence of high spillway flows. The proposed work will also protect the old concrete from future F-T attack.

DESCRIPTION OF THE NORTH PLATTE PROJECT

General

The North Platte Project utilizes water from the North Platte River and tributaries to supply approximately 91 459 ha (226,000 acres) of irrigable lands in eastern Wyoming and western Nebraska (see exhibit 1). In addition, the project supplies supplemental water for 43 706 ha (108,000 acres) of irrigable lands, as well as providing power generation. Municipal and industrial water supply, flood regulation, recreation, and fish and wildlife benefits are also derived from the project.

The main features of this project include Pathfinder and Guernsey Reservoirs, Whalen Diversion Dam, Guernsey Powerplant, and Interstate and Fort Laramie Canals. Since initial construction of the North Platte Project, five additional Federal reservoirs and powerplants have been constructed on the North Platte River in Wyoming. The project-irrigated lands produce crops valued at approximately $85,000,000 annually.

The North Platte Project was one of the first projects constructed under the Reclamation Act of 1902. Construction began in July 1905 with work on the Interstate Canal. The first irrigation water was delivered in 1908. The project was essentially finished with the completion in 1927 of Guernsey Dam, Reservoir, and Powerplant.

Guernsey Dam and Reservoir

Guernsey Dam is located approximately 185 km (115 air mi) southeast of Casper, Wyoming, on the North Platte River. The dam, designed and constructed by the Bureau of Reclamation (now the Water and Power Resources Service) was completed in 1927 (see exhibit 2). The dam and powerplant are operated and maintained by Water and Power as a reserved works feature of the North Platte Project.

The reservoir impounded by Guernsey Dam, has an active irrigation storage of 55.8 x 10^6 m^3 (45 228 acre-ft). The reservoir inundates an area of 962 ha (2377 acres) at elevation 1347.2 m (4420 ft). The net drainage area between Glendo Dam (first facility upstream from Guernsey) and Guernsey Dam is 1756 km^2 (678 mi^2).

Dam, Spillway, and Outlet Works

Guernsey Dam is an earthfill and rockfill dam with a structural height of 41.1 m (135 ft) and crest length of 170.7 m (560 ft). The normal water surface elevation is 1347.22 m (4420.0 ft), 24.99 m (82 ft) above the original streambed. The base width of the dam is 219.5 m (720.0 ft) and the crest width is 7.6 m (25.0 ft) (see exhibit 2).

The dam incorporates two spillways. The north spillway is a 15.2-m (50-ft) rectangular chute at the gates and transitions to a trapezoidal chute 7.6 m (25 ft) wide at the base, with 1/2:1 sloping sidewalls for most of the 142.9 m (469 ft) long chute. The north spillway discharges into a rock channel. The spillway is controlled by a 15.2- by 15.2-m (50- by 50-ft) Stoney roller gate and has a sill elevation of 1332.0 m (4370 ft). The design capacity of the north spillway is 1472 m^3/s (52 000 ft^3/s) at water surface elevation 1347.2 m (4420.0 ft). The south spillway is a glory hole structure which discharges into a 9.1-m (30-ft) horseshoe-shaped tunnel. The spillway is controlled by two 19.5- by 4.4-m (64- by 14.5 ft) drum gates and has a sill elevation of 1342.8 m (4405.5 ft). The discharge capacity of the south spillway is 707 m^3/s (25 000 ft^3/s) at a water surface elevation of 1347.2 m (4420.0 ft).

In addition to flood flows, the north spillway is normally used for regulation of irrigation flows in excess of power outlet capacity from approximately mid-May through October 1. The intake for the power outlets is controlled by a 6.1- by 7.9-m (20- by 26-ft) slide gate and discharges through a 6.1-m (20-ft)-diameter tunnel into a desilting chamber. Power generation water flows through a 3.7-m (12-ft)-diameter penstock into two 2.6-m (8.5-ft) diameter penstocks to the turbine. Water in the desilting chamber may be released to the river via the south spillway tunnel through three 1.5- by 1.5-m (5- by 5-ft) high-pressure slide gates.

INFLOW DESIGN FLOOD

Early Records

Guernsey Dam was designed primarily for the storage and regulation of irrigation flows and power generation. The dam has no surcharge capacity and no flood storage capacity. No previous IDF studies for Guernsey Reservoir were performed prior to an informal study done in 1955. The discharges necessary to pass the identified flows were less than the designed capacity of the two spillways. This storm was based on previous studies for Glendo Reservoir. Fragmentary streamflow records on the North Platte River began in 1895. More complete records began in 1905 below Pathfinder Dam and on five right-bank tributaries in 1916.

Present Day Techniques and Procedures

In the early 1940's, the Bureau of Reclamation adopted the unit hydrograph method which applies a maximized design storm to the watershed to compute the IDF. With this procedure, many conditions that affect runoff are more completely considered, and spillway-capacity requirements are determined by studies in which the IDF is routed through the reservoir using a mathematical model. More recent studies on other North Platte River storage facilities and the availability of additional streamflow and climatic data have given a more accurate estimate of the IDF.

Inflow Design Flood for Guernsey Dam and Reservoir

The most recent IDF study for Guernsey Dam was approved on January 24, 1980. It is the flood derived in 1977 as part of the Examination of Existing Structures Program. The IDF has a peak drainage basin discharge of 2758 m^3/s (97 400 ft^3/s) and a 20-day volume of 704.3×10^6 m^3 (571 000 acre-ft) to be routed through Guernsey Reservoir. This flood was based on a design rainstorm occurring over the Guernsey drainage basin (below Glendo Dam) during a period of significant snowmelt over the entire North Platte Basin (originating primarily above Alcova Dam).

The design storm was obtained by transposing the August 12 and 13, 1966, storm in Greeley, Nebraska, over the Guernsey drainage basin. The storm had a basin average precipitation depth of 235 mm (9.27 in) and a duration of 17 hours. There is some spillover into the Glendo drainage area which is routed through Glendo Reservoir along with the snowmelt flood.

A final flood routing was performed for the IDF at Guernsey Dam assuming (1) an initial reservoir water surface (RWS) elevation of 1347.2 m (4420.0 ft) (top of active conservation capacity) at the start of the routing, June 30 or the 91st day after March 31, (2) powerplant discharges were neglected as insignificant, (3) discharges through the north and south spillways were regulated as required to maintain the RWS elevation at 1347.2 m (4420.0 ft) until inflow exceeded outflow, after which the RWS was allowed to encroach in the freeboard.

The routing assumed ideal conditions with spillways in excellent condition and no downstream channel capacity restrictions. The maximum discharge for this condition is 2179 m^3/s (77 000 ft^3/s) and the maximum water surface elevation is 1348.8 m (4425.1 ft) leaving approximately 1.5 m (4.9 ft) of freeboard between the maximum water surface and the top of the dam, elevation 1350.3 m (4430.0 ft). The RWS can be lowered to the top of active conservation capacity elevation 1347.2 m (4420.0 ft) in approximately 7 hours.

Spillway Structural Condition

The north spillway has undergone extensive, severe deterioration of the invert and sidewalls since construction in the late 1920's in spite of reasonable and normal maintenance. As early as 1958, areas of the north wall were patched. In 1960, a program for maintenance of the concrete was initiated, including periodic inspection and patching of severely deteriorated areas. Despite the performance of all normal and reasonable maintenance, as identified by the periodic and special examinations performed under the Review of Operation and Maintenance (RO&M) Examinations, the deterioration has progressed to the point that patching can no longer be considered a solution to the problem. The north spillway needs to be repaired to handle large discharges and prevent failure of the spillway and of the dam. The most probable mode of failure at Guernsey Dam would be high discharges through the north spillway which would remove the deteriorated concrete lining in the invert and the north and south walls. The force of the water would then destroy the material behind the south wall and begin eroding the dam causing its failure. At present, releases are limited to flows no greater than 170 m^3/s (6000 ft^3/s) when possible, which is considerably less than the design capacity of 1472 m^3/s (52 000 ft^3/s). This is done to reduce the erosion of the spillway. The historical maximum flow through the north spillway is 17 percent of the design capacity or 255 m^3/s (9000 ft^3/s). The spillway was constructed before the use of air-entraining agents was incorporated into concrete mix design which has left the concrete susceptible to F-T attack.

A field examination of Guernsey Dam north spillway was performed by a SEED team from Water and Power's Engineering and Research (E&R) Center, April 30 through May 1, 1979. As a result of that examination, the following recommendation was made: "Evaluate the Ability of the Spillways to Pass the Inflow Design Flood." A June 18, 1979 memorandum, transmitted the recommendation from the Assistant Commissioner - E&R Center to the Regional Director contained the following:

> "The north spillway, consisting of a 15.2- by 15.2-m (50- by 50-ft) Stoney gate discharging into a concrete lined channel, was designed to pass 1472 m^3/s (52 000 ft^3/s). The concrete in the spillway chute invert and walls is badly deteriorated and some reinforcing steel is exposed. At one place, a tile underdrain in the spillway floor was exposed and broken. These repairs and/or modifications will be designed to correct any deficiencies in this spillway. It was brought to the attention of the SEED team that although the north spillway was designed for a 1472 m^3/s (52 000 ft^3/s) discharge, discharges greater than 170 m^3/s (6000 ft^3/s) have caused damage to the left side of the spillway and eroded the outlet channel which is immediately adjacent to the downstream toe of the dam."

An examination of the south spillway on July 24, 1979, indicated that there is F-T deterioration in the south spillway as well as deterioration due to seepage through the tunnel linings. The design discharge of the south spillway is 707 m^3/s (25 000 ft^3/s). Currently it will not carry its full design discharge, and it is extremely difficult to estimate how much it will carry because of the unknown severity and extent of deterioration in the south spillway concrete. The examination report recommends testing to determine the exact nature and extent of repairs necessary. This testing and necessary repairs will be accomplished in the near future under the RO&M Program.

The rock channel immediately downstream from the north spillway has been eroded by high releases. Protective measures for the rock channel necessary to prevent undercutting of the spillway are being accomplished separately and prior to the proposed modification work described in this report. Construction work is underway for treatment of the rock outfall channel utilizing O&M funds. One half of the total construction cost of approximately $600,000 will be repaid by power revenues derived by the Guernsey Powerplant. Since the Goshen, Pathfinder, Gering-Fort Laramie, and Northport Irrigation Districts pay for one half of the normal O&M costs of Guernsey Dam, they will also pay for the remaining half of the channel modification.

This work includes the construction of concrete protection walls along the north and south walls of the channel, are a mass concrete cap placed immediately downstream and below the spillway chute. Also, concrete will be used to backfill an eroded cave, a solution joint within the rock channel and to fill an undercut area in the north wall of the rock channel.

SEISMIC EVALUATION

A maximum credible earthquake has not been determined for Guernsey Dam. However, Guernsey Dam is located in an area of low seismic activity (see exhibit 3). A seismic evaluation is planned but not currently scheduled until fiscal year 1984 due to numerous facilities with higher priorities for their evaluations.

Geology

Guernsey Dam is located on the eastern edge of a synclinal basin in eastern Wyoming. The basin was formed by the Hartville uplift to the east and the mountains to the northwest. This uplift has raised the old Devonian, Mississippian, and Pennsylvanian age rocks above river level, and the North Platte River has cut a deep gorge through these hard resistant rocks. The regional dip is 1° to 2° upstream. The flat-topped hills surrounding the gorge are comprised of flat-lying Tertiary sediments which lie on the older formations. These are soft sandstones and shaley siltstones.

The foundation of the dam in the channel is stream gravel and boulders deposited on the valley floor by the river. Test borings during early investigations did not reveal bedrock at depths of 30.5 m (100 ft). Bedrock in the abutments is part of the Hartville Formation comprised of dense grey limestone and dolomite, quartzitic sandstone, and some thin beds of ferruginous red shale. The rock is hard, resistant, and relatively free from jointing. A portion of the north spillway is cut into limestone and dolomite. The right side of the spillway was constructed against the dam embankment.

Embankment Description

Guernsey Dam is a sluiced clay, sand, and gravel structure with its downstream portion of heavy rockfill. The central portion of the dam is a clay puddled core founded in an open trench 9.1 m (30 ft) below the riverbed and extended above continuously through the main embankment to the crest. The trench in which this puddled core is founded has a bottom width of 3 m (10 ft) and side slopes of 1-1/2:1. On each side of the clay core is a sluiced sand and gravel fill and on the downstream side of the embankment is a heavy body or blanket of rockfill. The 3:1 upstream slope is protected from wave action by a 0.9-m (3-ft) layer of dumped riprap. The downstream surface has a slope of 2:1 for the top 9.1 m (30 ft) then breaks to a slope of 8:1 for the next 15.2 m (50 ft) in elevation, from the bottom of which slope it is carried level for a maximum distance of 48.8 m (160 ft) and terminates in a 3:1 slope to the riverbed. There was no effort other than sluicing to compact the embankment and no testing to check the density of the fill material. The clay core was constantly under water so there was no way to determine its character or stability until tested under actual use.

NEED FOR CORRECTIVE MEASURES

General

Modification of the north spillway is necessary to allow safe passage of flows between 170 m^3/s (6000 ft^3/s) and the IDF. Concrete deterioration has been a continual problem for many years. Sections of the north wall were patched as early as 1958. Following the 1977 irrigation season, a core drilling program was implemented to take concrete samples from the floor and north wall. Physical tests and petrographic examinations were made of the core samples. The results of these tests are summarized as follows:

> "Because only the better concrete was suitable for testing, the following conclusions apply to that concrete:
>
> 1\. . . . the higher absorption, the lower the freeze-thaw durability, particularly in non-air-entrained concrete. The absorption value of this concrete is 7 percent which indicates freeze-thaw deterioration of this concrete will be a continual problem.
>
> 2\. The air-dry compressive strength was 4,880 lb/in^2 and saturated compressive strength was 2,480 lb/in^2. This is a strength reduction of approximately 50 percent, which is an abnormally high reduction.
>
> 3\. The concrete lacked adequate consolidation in the areas marked 'extensive' and 'moderate' deterioration in figure 9 (exhibit 4). This was seen visually in the cores from those areas and corresponds with the Schmidt Hammer tests.
>
> 4\. Petrographically, the major cause of deterioration points to freeze-thaw. There is some evidence of alkali-aggregate reaction and sulfate attack of very minor significance."

F-T attack is a continual process which can only be mitigated by protecting the non-air-entrained concrete from the elements. The present state of the spillway is severely deteriorated concrete with sections of exposed structural reinforcement steel. These areas are particularly susceptible to erosion by high velocity flows.

Potential Hazards

Damaging releases could be necessary at Guernsey Dam during any year. The north spillway is the primary means of passing large flood flows and due to its structural condition will not carry its design capacity.

Failure of the spillway will lead to subsequent failure of the dam due to its location adjacent to the embankment material of the dam. Failure of the dam will result in extensive loss of life and property.

High velocity flows in the north spillway in its existing condition will result in severe erosion of the spillway. The design capacity of the spillway is 1472 m^3/s (52 000 ft^3/s). The IDF routed through Guernsey Reservoir requires that the north spillway be in operation at full capacity for a minimum of 17 hours. Erosion of the invert of the spillway will lead to undercutting and failure of the south wall adjacent to the dam embankment. Failure of the south wall will allow severe erosion and failure of the dam embankment. Failure of the dam will result in a peak outflow in excess of 8490 m^3/s (300 000 ft^3/s) in addition to the river flow occurring in the North Platte River at the time of failure [a maximum flow into the reservoir of 2758 m^3/s (97 400 ft^3/s)]. This will result in extensive damages along the North Platte River through eastern Wyoming and western Nebraska to Lake McConaughy. The cities and towns in this area lie in close proximity to the North Platte River and in some areas in the flood plain. The population of the cities and towns along the North Platte River from Guernsey Dam to Lake McConaughy is approximately 5,673 (1970 census figures) in Wyoming and 30,108 in Nebraska. The North Platte River flows through the cities of Gering and Scottsbluff with a combined population of 21,187. These two cities will suffer extensive damage. Flows in excess of 226 m^3/s (8000 ft^3/s) caused minor flooding in 1973 which has been approximated as a 20-year storm. Flows due to the IDF and failure of Guernsey Dam will be many times greater than this storm. There are 17 major roadway crossings across the North Platte River in the reach between Guernsey Dam and Lake McConaughy. U.S. Highway 26, the Chicago Burlington, Quincy, and the Union Pacific Railroads parallel the North Platte River in this reach.

The headworks of the Interstate and Fort Laramie Canals begin at Whalen Diversion Dam 17.7 km (11 mi) downstream from Guernsey Dam. This structure would suffer extensive damage.

Stage-damage curves developed by the U.S. Corps of Engineers estimate that damages caused by the failure of Guernsey Dam during the IDF between the dam and Lake McConaughy will be approximately $30 million. This estimate does not include damages to Guernsey Dam and Powerplant. Performing corrective measures to restore the ability of Guernsey Dam to safely pass large flows up to the IDF will greatly reduce the threat to downstream life and property. The Corps of Engineers has estimated that damages resulting from downstream routing of the IDF through Guernsey Dam would be approximately $9 million (compared with $30 million if the dam failed during the IDF). A similar reduction in threat to life can be expected.

CORRECTIVE MEASURES CONSIDERED

The basic types of corrective measures considered in the study of alternatives include (1) revision of reservoir operating procedures, (2) structural modification or rehabilitation of the dam and/or spillway, (3) a combination of revised operating procedures and structural modification, (4) construction of upstream storage, and (5) breaching of the dam without replacement storage.

1. To modify only the operational procedures at Guernsey Reservoir would in no way ensure the safety of the dam. The volume of the IDF is so much larger than the reservoir capacity 704.3 x 10^6 m^3 vs. 55.5 x 10^6 m^3 (571 000 acre-ft vs. 45 000 acre-ft) that a complete drawdown prior to the IDF would not significantly reduce the flood peak to be routed through the spillway. A revision in upstream dam operating procedures would serve to reduce the inflow to Guernsey Reservoir from snowmelt but would not reduce the inflow from the design rainstorm. Revision of operating procedures would virtually eliminate all benefits derived from authorized uses.

2. The structural modifications considered include:

a. Raising the crest of the dam and associated features to increase the storage capacity.

b. Construction of a new spillway.

c. Modification of the north spillway.

Modification of the north spillway is the most cost effective structural solution to restore the ability of Guernsey Dam to pass the inflow design flood.

Details of the proposed modification (modification of the north spillway) are described under "Proposed Structural Modifications."

3. A combination of revised operating procedures and structural modification is not feasible based on the present benefits derived from current water supply operations and the severely deteriorated condition of the north spillway. This plan would involve raising the crest of the dam and reducing the active conservation pool to a minimum level in order to store the IDF. This modification would have to increase the storage capacity so that the use of the north spillway would not be necessary. The costs would be significantly higher than the proposed modification and as stated before would eliminate the benefits derived from authorized uses.

4. Construction of an upstream storage facility would involve significantly higher costs than the proposed spillway modification and would also result in additional environmental impacts.

5. Breaching of the dam without replacement storage would involve significant costs and would result in the loss of present reservoir uses permanently.

PROPOSED STRUCTURAL MODIFICATIONS

General

The purpose of the proposed modifications is to provide safe operation of Guernsey Dam and continued availability of project benefits. This will be accomplished by modifying of the existing north spillway. Modifications of the spillway will be accomplished without affecting water supply, power generation, and recreation and with a minimal effect on incidental flood control and fish and wildlife.

Proposed Work

Deteriorated concrete in the north spillway will be removed and replaced with a 230 ± mm (9-in) air-entrained concrete overlay (see exhibit 5). The proposed modification is summarized as follows:

Remove and clean the deteriorated concrete and reinforcement steel on the invert and replace with a 230 + mm (9-in) reinforced concrete overlay. Repair 101.6-mm (4-in) drainpipes.

Remove and clean the bottom 3.7-m (12-ft) portion of the south wall and replace with a 230 ± mm (9-in) reinforced concrete overlay.

Patch random areas in the upper reach of the north wall within 25 m (80 ft) of the Stoney gate.

Remove and clean all of the 27.4-m (90-ft) section of the north wall from about 25 m (80-ft) to about 52 m (170 ft) below the Stoney gate and replace with a 230 ± mm (9-in) reinforced concrete overlay.

Remove and clean the bottom 3.7-m (12-ft) vertical section of the remaining north wall from 52 m (170 ft) below the Stoney gate to the end of the spillway and replace with a 230 ± mm (9-in) reinforced concrete overlay.

The proposed recommendations for the modification of the north spillway will serve two purposes. The modification will allow the spillway to operate at its full design capacity which is necessary to safely pass the IDF. The modification will also serve to protect the existing non-air-entrained concrete from further deterioration. The overlay concrete will significantly reduce the intrusion of water to the remaining non-air-entrained concrete and will protect the weaker concrete from scouring thus slowing down the F-T process.

Cost Analysis of Proposed Modification

	Construction and Project Costs (based on October 1982 price levels)
a. Repair of invert	$750,000
b. Repair of south wall	230,000
c. Repair of north wall	520,000
Total Field Cost	$1,500,000
Minor Contracts	300,000
Non-Contract Costs	540,000
Total Construction and Project Costs	$2,340,000

If the proposed modifications are approved, approximately $100,000 would be utilized in fiscal year 1982 for design data collection and specifications design work required prior to the earliest availability of project line item funding which would be in fiscal year 1983. The $100,000 is to be made available from the Modification Reports/Advanced Planning funds. If this modification is approved, $2.24 million will be listed in a budget line item in fiscal year 1983 for construction and all other remaining costs.

ADVANTAGES DERIVED FROM MODIFICATIONS

The most apparent advantages derived from the modification of the north spillway at Guernsey Dam is restoring the ability of the north spillway to safely pass its portion of flows plus the continuation of the functions attributable to the existing facility. With remedial measures completed, the total outflow capacity will be sufficient to safely pass the IDF.

If the remedial measures are not performed, there is a definite risk of facility failure ranging from loss of the operating spillway to complete failure of the dam. In addition to flood flows, the north spillway is used to pass irrigation flows in excess of powerplant capacity during the irrigation season and for reregulation of upstream power generation releases. The loss of the spillway's use would have a significant effect on the dams safety. Until the facilities could be rebuilt, irrigation deliveries would be limited to flows which could be safely passed through the powerplant and through the south spillway sluice gates. This would not be sufficient to supply downstream demands. This would have a severe effect on the economy of the area involved. The failure of the dam would have a disastrous effect on the lives and property of the people involved. Loss of the reservoir would mean loss of life, agricultural production, recreation, fish and wildlife, and incidental flood control.

Flood flows from failure of the dam should take several hours to travel the first 30 miles below the dam to just upstream of Torrington, Wyoming, and there would be enough time to warn people to evacuate beyond that point. The danger of loss of human life would be greatest, closest to the dam. The most critical reach, considering warning times and potential loss of life of the North Platte River, lies from the dam to Fort Laramie, a distance of approximately 13 miles. The towns of Guernsey and Fort Laramie, with a combined population of approximately 990, could be directly threatened with loss of life. The reach from Fort Laramie to the Wyoming-Nebraska state line has a population of approximately 4,700 which could also be threatened.

Performing corrective measures to restore the ability of Guernsey Dam to function as designed will greatly reduce the threat to downstream life and property. The Corps of Engineers has estimated that damages resulting from downstream routing of the IDF through Guernsey Dam would be approximately $9 million (compared with $30 million if the dam failed during the IDF). A similar reduction in threat to life can be expected.

CONDITION OF UPSTREAM DAMS

Glendo Dam is located 48.3 km (30 mi) upstream from Guernsey Dam. It is owned and operated by Water and Power as part of the Glendo Unit of the Pick-Sloan Missouri Basin Program. The zoned, earthfill structure and three appurtenant dikes were completed in 1950 and is the only upstream dam with direct flood control storage capacity. The dam was examined in May 1979 as part of the SEED Program and found to be in satisfactory condition.

Five additional storage dams, constructed and operated by Water and Power, are located above Glendo Dam. These include Gray Reef, Alcova, Pathfinder, Kortes, and Seminoe Dam, respectively. They are all being reviewed under the SEED Program. In addition, they have been regularly examined and maintained in accordance with the triennial Review of Operation and Maintenance Program since the structures were completed.

CONSTRUCTION SCHEDULE FOR PROPOSED PLAN

Designs and specifications for the replacement of concrete in the north spillway will be prepared as directed by the Regional Director, Lower Missouri Region.

Specifications are scheduled to be issued in early 1982 with award of contract to follow in the fall. Following the end of the irrigation season in mid-October of 1982, work on the spillway will begin. Work is scheduled to be completed during the winter with the spillway ready for full operation by April of 1983.

REPAYMENT

Repayment - Existing Contracts

Contractual arrangements between the United States and Gering-Fort Laramie, Goshen, Northport, and Pathfinder Irrigation Districts currently exist for repayment of those portions of the project costs from which they benefit. Additional contracts exist with Warren Act contractors.

The project was originally constructed at a cost of $19,730,963, entirely repayable by the water users. However, the Act of July 17, 1952 (Public Law 578), provided for acquisition of the water users interests in the power revenues to the extent of $6,711,887, thereby permitting a similar reduction in the remaining amount to be paid.

The following features constitute the "reserved" works, which are operated and maintained by Water and Power: Pathfinder Dam and Reservoir, Guernsey Dam and Reservoir, the drainage and diversion works, and the Guernsey Powerplant. The water users, including the Warren Act contractors make advance payment for all of the costs for operation and maintenance of the "reserved" works allocated to irrigation. The remaining reservered works O&M costs (50 percent of the total O&M costs) are allocated to power generation and are paid for by power revenues. The remainder of the project facilities have been transferred to the four project irrigation districts for care, operation, and maintenance at no cost to the United States since January 1, 1927.

Repayment - Spillway Modification Costs

Funding for the spillway modification work discussed in this report will be in accordance with the Reclamation Safety of Dams Act of 1978 (Public Law 95-578), signed November 2, 1978, which authorized the Secretary of the Interior to perform necessary modifications at existing Federal reclamation dams for safety of dams purposes. The Act provides for nonreimbursable funding of modifications of dams, the cause of which results from new hydrologic or seismic data or changes in state-of-the-art criteria, deemed necessary for safety purposes. Costs incurred from modifications as a result of age and normal deterioration of the structure or from nonperformance of reasonable and normal maintenance would be reimbursable.

It was necessary to clarify the reimbursable requirements of the Act pertaining to deterioration of facilities when associated with changes in the state-of-the-art criteria affecting dam safety. The Office of Management and Budget has concurred with the cost sharing criteria established by the Secretary of the Interior.

Since the proposed modification work is needed to correct structural deterioration which could have been prevented by application of current practices, the cost sharing criteria has been used, as required, to determine the reimbursable costs associated with the modification. Based on the criteria, reimbursement is to be made to the United States for any "extended life" portion of the cost of rehabilitating the dam's features with safety deficiencies.

The formula for deriving the repayment fraction of the cost of applicable dam safety corrective work is:

Repayment fraction = $\frac{c + e - d}{e}$; where

c = the number of years the dam was operated until application of operating restrictions which reduced reservoir yield to the project beneficiaries. In the absence of operating restrictions, the number of years the project was operated until initial appropriation of construction funds for dam safety modification work would be used.

d = original life of the dam. Based upon current benefit calculation or sedimentation design criteria, this factor will normally be 100 years.

e = life of dam as modified, commencing from the time construction is completed. This factor will depend upon the quality and extent of modification work, overall condition of the remaining dam structure, and Water and Power engineering judgment.

The formula is based on the extended life, beyond original design of the dam, which results from performance of the corrective work.

Water and Power engineers have reviewed the condition of the Guernsey Dam embankment and appurtenant structures and determined that the original designed life of the project will not be extended as a result of the construction work proposed for the north spillway. This is due to the proposed work being limited to only the north spillway and further limited to only a portion of the north spillway. The work at the north spillway will modify portions of the walls and invert of the spillway chute, but the spillway crest, gate, and inlet will not be modified. The modification work is expected to be of sufficient durability so that the repaired portions of the spillway will achieve original design life, approximately 100 years. It is expected that existing nonair-entrained concrete not needing repairs now will exhibit freeze-thaw deterioration or experience scour erosion before the original designed life of the dam is attained. Thus, the modification work will not extend the life of the dam beyond the original design life.

Therefore, the cost of the modification requested for approval in this report is nonreimbursable as authorized by Public Law 95-578 and none of the cost is to be applied to the authorized project cost allocations.

INTERIM OPERATING PROCEDURES

Normal operation of Guernsey Reservoir results in a fall drawdown sufficient to store a runoff volume of two to three times the normal winter and early spring flows. Spring releases from Glendo Reservoir are generally required to fill the Guernsey Reservoir conservation pool.

It is conservatively estimated that flood flows of approximately 708 m^3/s (25 000 ft^3/s) can safely be passed through Guernsey Dam in its present condition without disastrous results. This is a combined flow through the powerplant, south spillway, and north spillway.

This capability, which is 30 percent of the IDF release requirement, affords some degree of protection to the structure.

Complete evacuation of reservoir storage is not a justifiable means of providing interim protection to downstream interests due to the reservoirs' small storage capacity compared with the volume of the IDF. Complete evacuation would also cause an undesirable loss of project benefits.

ENVIRONMENTAL IMPACTS

The environmental impacts were studied and reported in the Environmental Checklist, of January 3, 1980. The proposed spillway modification met the requirements for a categorical exclusion from the need for an environmental assessment (item K, "Minor Construction or Rehabilitation Activities"), according to appendix 9 of the Department of the Interior instructions for implementing NEPA (516 DM 6).

Environmental impacts during construction of the proposed modification would affect only the immediate area of the dam. Since work on the modification will be performed during the late fall, winter, and early spring, there will be no interruption of normal operating procedures. Prevention of downstream loss of life, property, and environment that would occur from dam failure under maximum flood conditions is the foremost effect of the proposed action.

All lands affected by the proposed construction are owned by the Government. There will be no permanent change of land uses as a result of the dam modification.

Two fiscal years will be required for completion of the proposed modification with actual construction work taking place during the fall, winter, and spring of the second year. During the construction period, there will be construction-related noise. This will affect project personnel of the powerplant located on the right abutment of the dam approximately 0.4 km (1/4 mi) away.

Reservoir water quality would not be affected during or after construction.

No change in reservoir operation will be required during the construction period.

Local wildlife might be temporarily displaced during construction but would return following completion of the work with no discernible effects. No significant adverse effects would result to the existing reservoir fishery.

Concrete for the modification will come from a local commercial source and will eliminate the need for a batch plant. Concrete spills will be controlled by a low lying barrier across the excavated rock channel beyond the spillway. The existing stream channel (located downstream of the excavated rock channel) will not be affected.

The major effect from modifications at Guernsey Dam north spillway is the prevention of a possible catastrophic flood downstream resulting in the loss of lives, public and private property, and disruption of the social, economic, environmental, and ecological balance in the existing river basin. Losses would include recreational and fishing benefits associated with the reservoir that would be foregone during reconstruction. The long-term benefits realized by prevention of the above catastrophic losses would be obtained at the cost of the environmental impacts discussed and the commitment of man-hours and materials expended during construction. The proposed modification would have a continuing beneficial effect on the well being of residents and visitors in the downstream area.

PUBLIC INVOLVEMENT

Public involvement activities accomplished to date for this modification work and related safety concerns have included awareness meetings with the irrigation districts involved and with state officials from Wyoming and Nebraska. The U.S. Army Corps of Engineers has also been informed of the needs for modification and of the environmental evaluation as needed for NEPA compliance.

Future public involvement activities will include additional meetings with the local irrigation districts, communications with other agencies having interests in the dam and reservoir area, and articles briefly describing the proposed modification in local newspapers.

RECOMMENDATIONS

Based on the information presented in this report, it is recommended that:

1. The proposal discussed in this report be approved to allow prompt implementation of the actions necessary to correct deficiencies in the north spillway of Guernsey Dam so it can safely pass large flood flows.

2. The proposed modifications be accomplished pursuant to the provisions of the Reclamation Safety of Dam Act of 1978 and that the costs thereof, be nonreimbursable to the treasury of the Federal Government.

3. The alternative to be selected for construction is to be that of least cost among those presented herein.

Southern Nevada Water Project

PREPARED STATEMENT

Senator Huddleston. Also, Mr. Duane Sudweeks, director of the Colorado River Commission of Nevada, has submitted a statement for Gov. Robert List of Nevada which strongly supports the timely completion of the southern Nevada water project. That statement will also be included in the record, without objection.

[The statement follows:]

LETTER FROM DUANE R. SUDWEEKS, DIRECTOR, COLORADO RIVER COMMISSION

March 29, 1982

Honorable Mark O. Hatfield
Chairman, Subcommittee on Energy
and Water Development
Senate Committee on Appropriations
Room 1322, Dirksen Office Building
Washington, DC 20510

Dear Mr. Chairman:

I am attaching hereto testimony supporting appropriations for Fiscal Year 1983 in the amount of $2,000,000 in order to complete the construction of the second stage of the Southern Nevada Water Project as authorized under Public Law 89-292. I am providing the Committee not only my written statement, but also that of the Honorable Robert List, Governor of the State of Nevada. I request that this written testimony be included as part of the record of this hearing.

Governor List stressed the necessity to complete the construction of the second stage of the Southern Nevada Water Project. He pointed out that the first stage of the Project will shortly be inadequate to meet the future water requirements of our expanding population.

Construction of this Project is nearing completion. Contracts in the total amount of $95,611,475 have been issued to date. It is critical that the entire water system including the federally funded additional pipelines and pumping plants as well as state funded expansion of the water treatment facilities be completed and totally operational to meet the local municipal and industrial water demands by the 1983 summer peak season. Therefore, Governor List as well as myself urge that your Committee support this appropriation in the amount of $2,000,000 for Fiscal Year 1983.

Thank you for your consideration of this important matter.

Sincerely,

Duane R. Sudweeks

Duane R. Sudweeks
Director

STATEMENT OF GOV. ROBERT LIST OF NEVADA

Mr. Chairman, Members of the Committee, I am pleased to see that the water development requirements of the residents of Southern Nevada are receiving favorable consideration by your Committee, and that positive action is being taken by the United States Bureau of Reclamation of the Department of Interior, the Colorado River Commission of Nevada and the local water-using agencies. The careful development, management and wise use of our water resources in the State of Nevada is critical to the well being of the citizens of our state.

The appropriation of the funds necessary to complete construction of the Second Stage of the Southern Nevada Water Project is vitally important to Nevada. Your support of funding authorized by Public Law 89-292 will allow the State to meet the municipal and industrial water requirements of Southern Nevada and avoid adverse social, economic and environmental impacts.

The First Stage of the Project is currently serving the needs of the people in the Las Vegas Valley and Boulder City. However, the Second Stage of the Project will be needed to support future water requirements of the expanding population in that area. It is essential that we complete the Second Stage of the Southern Nevada Water Project to meet our 1983 summer peak water demands and the increasing demands occurring thereafter.

Construction is underway, and contracts in the total amount of $95,611,475 have been issued to date. All funds appropriated for the Second Stage of the Southern Nevada Water Project under Public Law 89-292 are reimbursed with interest to the Federal Government. In this regard, I wish to point out that the State of Nevada, through the Colorado River Commission of Nevada, has made all repayments for First Stage facilities as scheduled. The First Stage facilities are in a sound financial and operational condition. The additional obligations for the Second Stage will be treated in a like manner.

The State of Nevada is actively sharing in the cost of the water resource development project. The State designed and is constructing the nearly completed enlargement of the First Stage of the Alfred Merritt Smith Water Treatment Facility. Sixty million dollars of State General Obligation Bonds have been sold for this purpose to provide necessary facilities for a complete municipal and industrial water supply system.

The decision to make water available to the people of Southern Nevada was confirmed by the passage of Public Law 89-292 in October of 1965. As a result of this action, appropriations were made which allowed the First Stage of the Project to be completed in 1971, supplying 132,200 acre feet of water per year allotted to the State of Nevada from the Colorado River. It was then anticipated that this water supply system would be sufficient until approximately 1990. However, our population growth and the rapid expansion of the area produced a larger demand for water, thus the necessity for the Second and final stage of the Project authorized under Public Law 89-292.

It is critical that the entire water system, including Federally-funded pipeline additions and pumping plants and the State-funded expansion of the water treatment facilities, be completed as quickly as possible. All construction is coordinated between the Federal, State and local water users. I believe that each portion of the system required to deliver water to the people must progress on schedule in order to ensure efficient and effective use of Federal, State and local funds. Any reduction in funding that could delay construction will result in additional costs to the people of Southern Nevada, as well as jeopardize adequate water supplies.

It is for these reasons that Fiscal Year 1983 appropriations in the minimum amount of $2,000,000 are being requested. I respectfully urge that your Committee support this appropriation for Fiscal Year 1983. I believe it is clearly a matter of record that the Project fully meets or exceeds all the criteria of a wise and prudent water resource development, including the tests of safety, environmental considerations and cost effectiveness.

Your continued support of this vital municipal and industrial water supply project is appreciated.

STATEMENT OF DUANE R. SUDWEEKS, DIRECTOR, COLORADO RIVER COMMISSION

Mr. Chairman, my name is Duane R. Sudweeks. I am the Director of the Colorado River Commission of Nevada, an agency of the State of Nevada. I appreciate this opportunity to present a statement supporting proposed appropriations for the Southern Nevada Water Project, authorized by Public Law 89-292, in the amount of $2,000,000.

In implementing the Southern Nevada Water Project Act, the facilities were staged to economically and prudently develop the required municipal and industrial water supply to the Southern Nevada area. The First Stage was completed and placed into operation in 1971, with a maximum annual delivery capacity of 132,200 acre feet. The First Stage has provided an additional source of water from Nevada's allocation from the Colorado River to the communities served by the Las Vegas Valley Water District, the cities of North Las Vegas, Henderson and Boulder City, and Nellis Air Force Base. It also provided a means by which the overdrafting of the limited groundwater supply and its attendant adverse environmental impacts have been mitigated.

It was anticipated that the First Stage would provide an additional supply of treated Colorado River water for the metropolitan Southern Nevada area to about the year 1990. Both the population increase and attendant water requirements, and the continuing need for groundwater pumping management have required the Second and final stage of the Project to be operational in the early 1980's. Construction of the Second Stage, to double the capacity of water deliveries and allow an additional 166,800 acre feet per year of Colorado River water to be delivered, has already commenced and the appropriation for Fiscal Year 1983 would allow construction to continue in order that completion could occur to meet our 1983 summer peak season water demands and the increasing demands thereafter.

Both the First and Second Stages of the Project and the needed water treatment facility have been a joint Federal, State and local effort. Federal appropriations, along with State funding authorized by the Nevada Legislature, and the investment of local funds for the receipt and distribution of the water from the Project are all necessary paralleling and on-going activities.

Under the authority granted by the Nevada Legislature, the Colorado River Commission of Nevada has sold $60,000,000 worth of State General Obligation Bonds to finance the costs of the enlargement of the treatment facility to match the Second Stage of the Project. In addition, approximately $30 to $40-million of local funds are being expended by the water receiving entities in preparation of receipt of Second Stage water deliveries.

Each and every part of the Southern Nevada Water System has been coordinated and integrated to provide potable water deliveries to current and future residential, commercial and industrial consumers. No water from the Project is utilized for agricultural irrigation purposes.

The potable water demands of the Las Vegas Valley and vicinity mandate completion of the Second Stage of the Southern Nevada Water Project prior to the end of the 1983 fiscal year. Without such availability of water, the Southern Nevada area could be substantially damaged, both economically and environmentally. Delay in completion would preclude the full utilization of the investment in the First Stage wherein facilities were constructed to accommodate Second Stage capabilities.

It is our understanding that the United States Bureau of Reclamation indicated that they have the capability of effectively and efficiently using $2,000,000 in Fiscal Year 1983. I urge the Subcommittee to support this Fiscal Year 1983 appropriation to complete the construction of the project.

Mr. Chairman, it has been my pleasure to present this statement to the Subcommittee and I appreciate the opportunity to request your favorable consideration.

KENTUCKY WATER PROJECTS

Senator HUDDLESTON. I believe that completes the schedule, with the exception of those who are remaining from the Kentucky group.

Congressman Perkins?

YATESVILLE LAKE, KY.

Congressman PERKINS. Thank you, very much, Senator.

We are sorry that we brought about this situation this morning. It was my fault; no one else's. We knew, though, that you would stay here with us and hear us all.

The rest of the witnesses on the Yatesville Reservoir will come around first.

We don't have all the witnesses on the Haysi project here yet; however, why don't the rest come on around and we'll hear you right now.

You can put your statements in the record, you gentlemen.

Senator HUDDLESTON. Again, all of the statements will be included in the record. So, if each of you would be as brief as possible, we'll be able to conclude this testimony in short order

Mr. PERKINS. You go ahead, Shirley, first.

STATEMENT OF SHIRLEY HURT, LAWRENCE COUNTY, KY.

Ms. HURT. Mr. Chairman, I am proud our Senator from Kentucky is chairing this hearing. Before I came up here, I went to the library and did a little homework on the purpose of Congress. I am privileged and honored to be here before you.

There was a quote from Thaddeus Stevens; he was a Congressman from Pennsylvania in 1867 during the Reconstruction Period. He gave a definition of Congress as: "This is not a government of kings, but a government of people and Congress is the people."

We have 10 people here today from our county. We came here in the interest of continued construction of the Yatesville Dam. These 10 people are represented from all walks of life. We have farmers, businessmen, lawyers, and bankers.

I am Shirley Hurt. I am a retired schoolteacher. I live on a farm about a mile from the mouth of Blaine Creek that is in the process—a dam is being constructed. Blaine Creek empties into the Big Sandy River and I am very familiar with the flooding of this area. There are 14,134 people in our county. One-third, through no fault, receive some type of public assistance. Income from farming is far below the poverty level. Unemployment at the present time is 19.9 percent. There have been 13,000 acres purchased for this dam and since that has been purchased by our county, economically—excuse the expression—it is in limbo.

I have a friend and she is president of the Louisa Woman's Club. She worked for many years as a social worker and I asked her if she wanted to send some comments by me and this is her letter.

She says:

> I am Mary Cheek, president of the Louisa Woman's Club. As a concerned citizen and taxpayer, I am interested in the protection of our citizens and progress of our county. For several years we have been working hard toward the completion of the Yatesville Dam. Witb our unemployment rate of 19 percent it is my opinion the completion of the dam will not only prevent flooding in many areas of the county, but would also be a boost to our economy.
>
> As a retired social worker, having worked for more than 38 years within Lawrence County, I have personal knowledge of the needs in the county. Many of the people I worked with had their homes flooded every year when the spring rains came. Many families have been relocated and are now living in areas that do not flood. The living conditions of these families has greatly improved as they were paid a fair value price for their property by the Government and they were able to purchase nicer homes for themselves.
>
> The completion of the Yatesville Dam is essential to the economy of our county as well as to prevent flooding in many areas.

That is about how women look at this problem in our county.

I want to add, Mr. Chairman, that there has been erroneous information sent in this regard to building this dam. One was recently sent to the President of the United States and a Congressman from Kentucky which said it was a mandate of the people that the present judgment was selected.

The judge, I am sure, will be glad for me to mention this. He corrected that at a recent meeting of a Rotary Club. He said, "Sign this letter without looking at it." Also, the mayor did the same thing.

So, I hope that is being corrected as a very able attorney from our county wrote to the Republican chairman of Kentucky and stated that this letter was erroneous and it was corrected.

Thank you.

Mr. PERKINS. Go ahead, Mr. Jackson. Then we will hear from Gene. Bill, go ahead.

STATEMENT OF WILLIAM JACKSON, MEMBER OF CITY COUNCIL, LOUISA, KY.

Mr. JACKSON. Mr. Chairman, I appreciate the opportunity to come before you and offer my remarks regarding the Yatesville project in Lawrence County, Ky.

My name is William Jackson. I am a practicing attorney. I am also a member of the city council and I come before you as an official representative of the city of Louisa, Ky., but I also come before you as a private individual who still believes that the purpose of government is and should be given expression and direction.

It is my position as a member of the city council of Louisa that the achieving of Yatesville Lake is the ultimate goal for our community. It is a most important undertaking facing our citizens both within the city and without the city.

PROJECT HISTORY AND BACKGROUND

Historical insight into Government action will add credence to the position that it is mandatory Yatesville be completed. The events and current situation leading up to where we are today are as follows:

First of all, Yatesville was authorized in 1965. Shortly thereafter, as developments started on the Yatesville watershed, the Corps of Engineers denied access for stripmining permits and development of this area.

Then, shortly thereafter, construction on the Yatesville Dam project started. Approximately 70 percent of the lands within this watershed was purchased. Thereafter, the Congress amended the stripmining regulations. Relocation of 70 percent of the families occurred. Then Yatesville construction stopped. The contractor who was the prime contractor on the dam site was required to reclaim the property and render the land as close as possible to the situation that existed at the time of construction.

Purchased land lying adjacent to the area could not be developed. We now have a wilderness area; vandalism is rampant, so is arson.

Thereafter, Yatesville was funded but no funds were used and the area remains a wilderness. The land has been taken, the coal has been rendered unminable, and families have been uprooted.

Yatesville is a people problem. During the 1977–78 period, the Government declared war on poverty; they declared war on inflation. Actually, the only war that they won during that period was the war against Lawrence County. During the early 1970's, the term "corporate responsibility" was invoked. It was noted by both legislators and sociologists that large corporations were quasi-governmental units with responsibilities to its employees over and above responsibility of paying salaries.

I would define corporate responsibility, as a factor, be weighed with a profit motive to make an impact upon any decisionmaking process. Utilization of this concept recognizes decisions must be based upon more and simple cost analysis.

As a young attorney coming out of law school, I was practicing as a tax attorney with a major corporation. It was my responsibility for making decisions regarding domestic planning. It was very easy for me to see at the time that a plant should be shut down.

If the corporation that I worked for made me aware of what corporate responsibility was when they kept it open for 4 years so we could relocate all families involved; that was corporate responsibility.

What I ask for today is governmental responsibility. The recognition of the feasibility of the Yatesville project has previously been ascertained and that the original decision to construct the Yatesville Dam and our Government intends to carry forward its commitment.

To annually justify the viability of the Yatesville project is an undue hardship to place on the residents of Lawrence County. Once the purchase of the property commenced, once the families were uprooted, once the cemeteries were removed, once the churches and schools were closed, the project, for the residents of Lawrence County, was committed.

Our Government, at least in equity, is at least committed. Can we or should we, as citizens, expect anything less than specific performance from our Government, a remedy to which we would be entitled in the private sector? Yet, a group today has come before you again at its own cost and expense to support the project.

Budgetary justification is, again, necessary. So, therefore, all I can say is, although I am not an engineer, if the project was feasible, as it was when originally enacted, then it is feasible today.

For 3 years we have been trying to locate a multimillion industrial complex where Yatesville Reservoir will empty into the mouth of the Big Sandy River that is in Wayne County, W. Va., at Prichard, W. Va.

Three miles further down from there are two coal processing plants and two more are under construction, all of this in the industrial valley of Big Sandy River.

As I said before, if it was feasible before it certainly is feasible now.

I thank you, Mr. Chairman.

Senator HUDDLESTON. Thank you.

Mr. PERKINS. Go ahead and finish up, Gene.

Mr. MARVIN. Mr. Chairman, I was interrupted in my statement. I am like the preacher who was interrupted in his sermon—confuse hell and fire with damnation.

I will try to reconstruct it a little bit. I read a letter from Gianelli. I want to refer to a couple of lines here. I will try to be brief as possible:

> It will provide a higher degree of flood protection or possibly include other purposes in which local interests can jointly participate.

That takes me into a letter from Howard See. Mr. See was unable to attend because he is a diabetic:

> I have been involved for 34 years in the efforts of all types of organizations concerned with the economic development of eastern Kentucky and, in particular, with the development of the Big Sandy River basin. During all that time the canalization of the Big Sandy River has been a primary aim of all those interested in this objective.
>
> Also, during this time there has been little enthusiasm or support for canalization. Now the Corps of Engineers has said they are bullish on the idea of making the Big Sandy River navigable, at least as far upstream as Louisa, Ky., and Fort Gay, W. Va.
>
> Since the views of Congressman Perkins are well known to this committee, I will not take up any of your time rehashing them but I would like to inform you of the views of another statesman from Kentucky, former Senator John Sherman Cooper.
>
> Senator Cooper fought long and hard for the canalization of the Big Sandy River. He supported other flood control projects, which like the Yatesville project, were claimed by some to be of marginal flood control value but were of unquestionable value in providing a source of water for a navigation pool.
>
> Blaine Creek is the closest tributary of the Big Sandy River of sufficient size to provide an adequate supplement to the navigational pool to a lock and dam that would have to be built at mile 7 if the Big Sandy River is to be navigable any further upstream than it is at present. Moreover, the water lost from this pool in the locking process would supplement the pool of the Greenup Dam on the Ohio River in times of low water supply.
>
> Senator Cooper's support of these projects was not simply a matter of a Senator trying to fatten the pork barrel of the State he represented, but was based on a concern for maintaining the fuel supply for the Nation in times of war when the overseas supplies of energy might not be available. To this end, he urged that a portion of the cost of canalization of the Big Sandy River be born by the Defense Department as a cost of military preparedness.

At this time, I need not point out that overseas energy supplies are of questionable reliability even without a war. The benefit of this project cannot be limited solely to the value it provides for flood control but must include its potential value for improving the flow of energy from the Big Sandy basin to the Nation as a whole.

And I would like to add that currently near this mouth of the Big Sandy River, Arkville is supporting millions and millions of dollars in the H. Coal plant, plus a heavier-than-oil plant that is about 20 percent.

We have chemicals. It is almost self-sufficient as far as industry goes. I feel like water quality is one of those things that should be considered because, after all, water is what it's all about. I think water is a staff of life even though bread might be coming second.

Senator HUDDLESTON. Thank you. We appreciate your testimony. That completes the witnesses that are testifying on behalf of Yatesville.

Mr. Wells.

Mr. WELLS. May I list the next group.

Senator HUDDLESTON. This is on Haysi.

Do you want to list your——

Mr. WELLS. We have Avalon Haight and Rose Perry, who represent the Junior Women's Club from Louisa.

Would the group stand up? John Turner represents a school system of Lawrence County. I have Hebert Slone, executive president of the First National Bank of Louisa. and Thaddeus Miller, who is assistant county judge of Lawrence County. I may have missed somebody. I also have Dobie Bates here and another gentleman that flew us up here. And finally, Jerry Peters, Jr., chairman of the Democratic Party in Lawrence County.

Senator HUDDLESTON. Important man.

Thank you, very much, Mr. Wells.

Congressman Perkins has given me a list of those who would also want to make a statement relating to Haysi Lake.

HAYSI DAM AND RESERVOIR, KY., VA., AND W. VA.

STATEMENT OF NORMAN MULLINS, COUNCILMAN, TOWN OF HAYSI, VA.

Mr. Mullins, is he here? He is councilman for the town of Haysi.

Mr. MULLINS. Thank you, Mr. Chairman.

I am sure you will be glad to know that I do not have a statement to read. Most of it will be repititious, anyway. I want to thank Congressman Perkins for representing us here today. We feel like he is one of our Congressmen and I just returned from talking to Senator John Warner and he is going to send a letter to Senator Hatfield fully supporting this Haysi project.

I would like to correct a few things. In the 1977 flood, the total damage was $28,398,000, not $9 million as someone stated earlier. The residents of Haysi have had to move five times recently because of high waters.

The National Flood Insurance Association has restricted building in Haysi. The only place we can build is in the flats around the riverbeds and it cannot be done until we get this Haysi flood project. So, as the people who live there, we are going to have to have something done soon. There is a vast amount of natural resources—coal and natural ash—around Haysi. All the people are miners so we would appreciate anything this committee can do for us.

STATEMENT OF BILL PATTON, MEMBER OF BOARD OF SUPERVISORS, DICKENSON COUNTY, VA.

Senator HUDDLESTON. Thank you. Mr. Bill Patton?

Mr. PATTON. Mr. Chairman, I am Bill Patton. I am on the board of supervisors of Dickenson County and have been for the last 12 years. At the time of the 1977 flood, I was chairman of the board there for about 4 years and I can say that I was an eye witness to all the problems that we had with the flood.

We the people in Dickenson County, we are all coal miners. We make a little cough medicine occasionally back there, but we are a rare breed of people. Lot's of people come in there before the board of supervisors and tell me: "Why don't you people leave? It's hazardous."

We don't know if we are going to wake up the next morning in our bed or wake up floating down the river. We don't have the problems of riding in the streets like a lot of people have. We have the problems every time it clouds up. For 30 years we have been trying to get this project finished.

Like the gentleman from Kentucky, I believe, said, we have four slick tires. We have three of the dams fixed in Dickenson County, but we still have one slick tire and if you have ever been on a trip with your family, if you have a slick tire, you are in constant danger. But we feel like that this is bipartisan—I say bipartisan. The gentleman who talked to you before is chairman of the Republican Party. I have been chairman of the Democratic Party for 20 years and, buddy, we are used to each other and we usually fight on election days.

I would like to go down on record, not only are there just a few of us for it, few agin it, we have the Governor's support that you heard ex-Congressman Fisher tell about this morning, you have heard all these great people from Kentucky and we feel like the time has come that we don't want a whole lot; we want to make sure this worthwhile project is continued.

We not only lost property during the last flood, we lost lives. One of the coal miners was drowned; a young boy. We live in constant danger and I hope you will all keep that in mind when you start making appropriations for this program and not let it die for lack of funds.

Mr. Chairman, I thank you, very much.

Senator HUDDLESTON. Thank you, Mr. Patton.

Are you related to Mr. Paul Patton?

Mr. PATTON. Back about 14 generations, I would say.

STATEMENT OF CHARLES HAY, HAYSI, VA.

Senator HUDDLESTON. Mr. Charles Hay, from Haysi, Va.

Mr. HAY. Thank you.

On behalf of the town of Haysi and concerned citizens, I would like to say we like to thank you for the opportunity for giving this time to express our interest in a flood control for Russell Fork River basin. The town of Haysi and residents along Russell Fork have been victims of a number of floods in the past, as stated before. In 1977, as stated before, there were $28 million in estimated damages. Included in these figures were $5.7 million to businesses and 770 homes, for some $16 million. Coal companies, which are our only industry, lost $1.5 million. Public buildings, schools, local governments, utilities, recreation parks, public roads, bridges amounted to some $4,442,000. Our people suffered enormous economic losses.

There were better than 1,000 people unemployed, 2,000 people evacuated, and 753 families requiring temporary housing.We are among some of the largest producers of high-quality coal in the Nation. These valuable coal resources could make a big difference in the United States being self sufficient in energy resources.

We feel in order for these resources to be developed, the business and residences must be protected against the flooding. Since April 1977, we have had numerous flood scares with the waters rising near flood stage causing residents and businesses to evacuate.

People cannot continue to live, work, and operate businesses under such mental and physical stress of flood threats of this nature. We feel that our only hope for relief for flooding in Haysi and along the Russell Fork River basin is the proposed dam.

A dam on the Russell Fork River would be of unspeakable value to those in Haysi and the people along the Russell Fork River basin. It would permit the continued efforts of the coal operators to produce even at a higher rate without the fear of valuable equipment and assets being washed down the river.

It would permit businesses to expand, housing to develop at a rate needed for our growing population, not to mention the amount of recreation it would provide.

Farming could be opened up as never before, and the list could go on and on.

Again, we appreciate this opportunity and are grateful for all the support and help you can give to this program.

In closing, I would like to introduce the other members that are from Haysi with us today. Mr. Jack Oakland, Jerry Sutherland, Don Owens, Carroll Edwards, and Jim Southerland.

Again, Thank you, very much for your time.

Senator HUDDLESTON. Thank you, Mr. Hay.

Can we have Jack Blackburn, Everett Thompson, and Sid Copley?

Are they here? Or you have already appeared?

Mr. BLACKBURN. Thank you.

I am manager at the Piggly Wiggly Store. We are on the Kentucky side.

Senator HUDDLESTON. Please identify yourself for the record.

Mr. BLACKBURN. Jack Blackburn, manager of the Piggly Wiggly. We are located in the Tug River flood basin there and we are on the Kentucky side.

All these comnents that have been made today concerning Haysi, Big Sandy, and Tug Fork relate to each other. We employ about 168 people and we have been in floods for the last 30 years. We have made several trips to Washington and we hate to see things like these projects die in committees and we appreciate you giving us this time to express our outlook on things.

Thank you.

Senator HUDDLESTON. Thank you, Mr. Blackburn.

Mr. John Du Puy, Pike County Chamber of Commerce; a hardworking man.

STATEMENT OF JOHN DU PUY III, PRESIDENT, PIKE COUNTY CHAMBER OF COMMERCE

Mr. DU PUY. Senator, we are going to have to quit meeting like this.

I will take a short minute. I don't have to convince you, because I know you were in Pikeville after the flood. You have been in my building; you know the damage. My statement, I hope, has been made a part of the record.

Senator HUDDLESTON. It will be made a part of the record.

[The statement follows:]

STATEMENT OF JOHN B. DUPUY III, PRESIDENT, PIKE COUNTY (KY.) CHAMBER OF COMMERCE

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, I APPRECIATE THE OPPORTUNITY TO SPEAK TO YOU TODAY. I AM JOHN B. DU PUY, PRESIDENT OF THE PIKE COUNTY CHAMBER OF COMMERCE, PIKEVILLE, KENTUCKY. OUR CHAMBER REPRESENTS OVER 650 BUSINESSES IN EASTERN KENTUCKY. I AM HERE TO ASK YOUR SUPPORT FOR FLOOD CONTROL MEASURES ON THE LEVISA FORK AND TUG FORK OF THE BIG SANDY RIVER IN EASTERN KENTUCKY. THE TOP PRIORITY OF THE PIKE COUNTY CHAMBER OF COMMERCE IS THE CONSTRUCTION OF THE HAYSI RESERVOIR IN VIRGINIA.

IN APRIL 1977 MY AREA SUFFERED THE MOST DEVASTATING FLOOD IN OUR HISTORY. FLOOD WATERS WERE 16 FEET DEEP IN THE STREETS OF PIKEVILLE. THIS WAS THE THIRD MAJOR FLOOD EASTERN KENTUCKY HAD SUFFERED IN THE PAST 20 YEARS. MANY OF OUR PEOPLE LOST EVERYTHING THEY HAD INCLUDING THEIR HOMES. MANY HAD NOT COMPLETED PAYMENTS ON THEIR SBA LOANS FROM THE 1957 FLOOD WHEN THE NEXT ONE CAME ALONG IN 1963 AND AGAIN IN 1977. AT THAT TIME THERE WAS NO FLOOD INSURANCE AVAILIABLE, AND EVEN IF THERE HAD BEEN, IT COULD NOT HAVE PAID FOR THE SUFFERING AND HEARTBREAK WE ALL EXPERIENCED. I WOULD LIKE TO ASK YOU TO CONSIDER WHAT IT WOULD BE LIKE FOR ONE OF YOU GENTELMEN TO WATCH YOUR LIFE'S WORK AND DREAMS FLOAT AWAY DOWN A MUDDY RIVER SOME DARK NIGHT. WE, IN EASTERN KENTUCKY, MUST LIVE WITH THE CONSTANT THREAT OF MORE FLOODING WHICH WE KNOW WILL COME.

THE FEDERAL GOVERNMENT HAS SPENT MILLIONS UPON MILLIONS OF TAXPAYERS DOLLARS FOR EASTERN KENTUCKY FLOOD RELIEF IN THE PAST 25 YEARS. THE AMOUNT OF FEDERAL MONEY SPENT IN OUR AREA AFTER THE APRIL 1977 FLOOD WOULD MUCH MORE THAN MEET THE COST-BENEFIT RATIO FOR THE HAYSI RESERVOIR. THESE FEDERAL EXPENDITURES REPRESENT ONLY A PART OF THE TOTAL LOSS SUFFERED BY THE BUSINESSES AND HOME OWMERS, AS MANY OF US COULD NOT AFFORD PAYMENTS ON ANOTHER SBA LOAN OR DID NOT QUALIFY FOR THE OTHER DISASTER ASSISTANCE PROGRAMS.

THE FOLLOWING INFORMATION COMES FROM THE WASHINGTON OFFICE OF THE FEDERAL DISASTER ASSISTANCE ADMINISTRATION ON THE AMOUNT OF FEDERAL SPENDING IN EASTERN KENTUCKY AFTER THE APRIL 1977 FLOOD

1.	SMALL BUSINESS ADMINISTRATION LOANS	50,617,000
2.	FARMERS HOME ADMINISTRATION LOANS	36,000
3.	FEDERAL DISASTER ASSISTANCE ADMINISTRATION	66,464,918
4.	CORPS OF ENGINEERS	173,000
5.	FEDERAL HIGHWAY ADMINISTRATION	500,000
6.	DEPARTMENT OF AGRICULTURE	91,000
7.	OFFICE OF EDUCATION (School Repair)	8,270,000
8.	FOOD STAMPS FOR FLOOD VICTIMS	1,746,000
	GRAND TOTAL FEDERAL DOLLARS	$127,897,918

PLEASE REMEMBER, THIS WAS FOR ONE FLOOD ONLY AND DOES NOT INCLUDE LARGE EXPENDITURES BY THE RED CROSS, NATIONAL GUARD, AND OTHERS.

GENTLEMEN, UNLESS EASTERN KENTUCKY IS PROTECTED FROM FUTURE FLOODS, THE FEDERAL GOVERNMENT WILL CONTINUE TO SPEND MILLIONS OF DOLLARS ON FLOOD RECOVERY, YEAR AFTER YEAR. WE HAVE NOT COME TO YOU ASKING FOR A HANDOUT OR CONTINUATION OF SOME MIS-MANAGED SOCIAL PROGRAM. WE ARE ASKING YOU TO MAKE AN INVESTMENT IN OUR AREA WHICH WILL BE REPAID MANY TIMES OVER THROUGH SAVINGS OF THESE DOLLARS WHICH I HAVE JUST SHOWN YOU.

PLEASE ALLOW ME TO READ TWO QUOTES FROM THE CORPS OF ENGINEERS. THE FIRST ONE ON MARCH 3, 1963 AFTER THE '63 FLOOD FROM COLONEL COCHRAN OF THE HUMTINGTON DISTRICT OF THE CORPS AND PRINTED IN THE WILLIAMSON DAILY NEWS: "PLANNING MONEY FOR THE HAYSI RESERVOIR HAS NOT EVEN BEEN REQUESTED YET, BUT THE RECENT DISASTEROUS FLOOD WOULD MAKE THE CONSTRUCTION OF THE RESERVOIR A CERTAINTY NOW." THE SECOND QUOTE IS FROM MR. CHARLES McINTYRE THEN CHIEF OF PLANNING FOR THE HUNTINGTON DISTRICT OF THE CORPS: "AS PART OF A YEAR LONG ANALYSIS OF THE APRIL 1977 FLOOD, THE CORPS WILL HAVE TO TAKE ANOTHER LOOK AT...THE HAYSI LAKE PROJECT IN VIRGINIA NEAR THE HEAD OF THE RUSSELL FORK OF THE BIG SANDY. CONGRESS HAS AUTHORIZED THIS DAM BUT HAS NOT FUNDED IT. THE CORPS BELIEVES THAT MUCH OF THE WATER THAT FLOODED EASTERN KENTUCKY CAME FROM THE RUSSELL FORK. HAYSI LAKE WOULD HAVE REDUCED THE CREST AT PIKEVILLE BY 4 FEET AND AT HARDEST HIT HAYSI BY 8 FEET."

GENTLEMEN, THE HAYSI RESERVOIR WAS AUTHORIZED BY CONGRESS IN 1938 AS PART OF A COMPREHENSIVE FLOOD CONTROL PLAN OF FOUR RESERVOIRS. THREE OF THESE RESERVOIRS HAVE BEEN BUILT AND ARE IN OPERATION BUT THE JOB IS NOT QUITE FINISHED. THE HAYSI RESERVOIR WOULD AFFORD PROTECTION ALONG THE LEVISA FORK FROM HAYSI, VIRGINIA TO PAINTSVILLE, KENTUCKY. THIS IS APPROXIMATELY 75 MILES OF RIVER AND INCLUDES

HAYSI, ELKHORN CITY, PIKEVILLE, PRESTONSBURG, PAINTSVILLE, AND NUMEROUS OTHER SMALL COMMUNITIES.

THE UNITED STATES IS MOVING MORE AND MORE TOWARD DEPENDANCE ON EASTERN KENTUCKY FOR ITS COAL PRODUCTION, AND WE MUST DEPEND ON OUR ELECTED OFFICIALS TO HELP SECURE THE FUTURE OF THIS AREA. WITHOUT PROTECTION FROM THESE MAJOR FLOODS, OUR FUTURE IN EASTERN KENTUCKY IS NOT BRIGHT. CONGRESS AUTHORIZED CONSTRUCTION OF THE HAYSI RESERVOIR 44 YEARS AGO. WHILE WE REALIZE THESE THINGS MOVE SLOWLY, WE ALSO KNOW THAT GOVERNMENT CAN BE RESPONSIVE TO THE NEEDS OF ITS PEOPLE. FLOOD CONTROL FOR EASTERN KENTUCKY IS A VERY REAL NEED OF OUR PEOPLE. WE ONLY ASK THAT YOU BE RESPONSIVE TO THIS GREAT NEED.

THANK YOU FOR YOUR TIME AND ATTENTION.

Mr. DU PUY. The one thing I did want to say, we got some figures from the Washington office of the FDAA on the amount of Federal spending in eastern Kentucky after the 1977 flood. This estimate includes SBA loans, FHA loans, Corps of Engineers, the Department of Education cleanup and fixup of the schools, all of which total $128 million. The sum of $128 million would probably build Haysi Lake and then some.

So, when we talk about meeting the cost-benefit ratio, that shouldn't be any problem. Our group has not come up here to ask for a handout. We simply ask you to make an investment in our area which will be repaid many, many times over through the savings of these Federal dollars you are spending after our floods.

Thank you, sir.

Senator HUDDLESTON. Thank you. Appreciate your testimony.

Mr. John Pence?

Mr. PENCE. Thank you, Mr. Chairman.

I will keep my remarks very brief. I won't go over things already discussed here.

Two things I think need to be really brought out in a discussion of this appropriations bill. No. 1, no doubt this reservoir, dam, will be very cost effective.

Had we had the dam prior to 1977, the damages, the amount of SBA loans, that type of thing, would be more than paid for.

The other thing is, and several people brought this out today, is the fear of the people living in the Big Sandy Valley, the individual fears.

The other one being fears of businessmen not being able to invest their funds in this area. It is the heart of the Nation's coal field. If we don't have a safe place to work and to live, then we may find ourselves coming up on the short end of coal in the years to come.

Thank you, very much.

Senator HUDDLESTON. Thank you, very much, Mr. Pence.

Mr. O'Quinn?

Mr. O'QUINN. Mr. Chairman, thank you for inviting the Haysi delegation here today.

Mr. PERKINS. Identify yourself.

STATEMENT OF JIM O'QUINN, FORD DEALER, HAYSI, VA.

Mr. O'QUINN. My name is Jim O'Quinn. I live in Haysi, Va. I am a Ford dealer there. It has been a pleasure working with your Congressman, and we call him our Congressman, Mr. Perkins. And our people stand beside the radios listening for the broadcast to come over the Norton station to find out if there is anything new on the Haysi Reservoir.

The people back home are very much supportive of this dam because they have suffered so long, their losses have been so great, and the time of repayment extends into the second generation.

I am sure it would be a very good investment in southwest Virginia, it would be protection for eastern Kentucky, and it would be an honor to have this reservoir there.

As I have expressed before, I would like some day to see it changed from the name of Haysi Lake to the Carl Perkins Reservoir to join with the late John Flannagan's name.

Thank you.

Senator HUDDLESTON. Thank you, Mr. O'Quinn.

I believe that completes those who desire to make statements.

Mr. Patton?

Mr. PATTON. That concludes our testimony. We appreciate this opportunity to have input. We would urge this committee not be penny-wise and pound-foolish.

Thank you.

Senator HUDDLESTON. Thank you, very much, Judge.

Let me say, I appreciate personally very much your accommodation this morning. We got into a difficult situation, as you are aware. And I appreciate your patience and your indulgence. I just want to say what you have done is very important. Your statements that you have made here, plus those that have been submitted, will constitute the record of this committee and will be considered by the other members in making the final decisions on just how the funds are going to be appropriated and for which projects.

So, it is very helpful to us and very important that we have this kind of demonstration of support for these particular projects.

Congressman Perkins, as always, we appreciate you and the efforts you have made.

This bill, of course, will come to us from the House. We will do the very best we can possibly do here on the Senate side in carrying out these programs.

ADDITIONAL PREPARED STATEMENTS

I would want to put in the record at this particular point a resolution from the House of Representatives of the Commonwealth of Kentucky relating to these projects and particularly the flood control projects on the Levisa and Tug Forks of the Big Sandy River and the upper Cumberland River.

We also have a statement from Congressman Harold Rogers that will go into the record.

[The statements and resolution follow:]

Statement of U.S. Representative Harold Rogers From Kentucky

Mr. Chairman, I appreciate the opportunity to testify in behalf of water projects essential to the Fifth District of Kentucky.

Mr. Chairman, in view of the Administration's decision to request no funding for the 202 project, I would like to address this project first.

I'd like to begin by stating clearly and unequivocably my strong support for the continued funding of the flood control project along the Levisa and Tug Forks of the Big Sandy and the Upper Cumberland Rivers. This project is essential to the safety of life and limb in communities along these rivers and any further delay is not only unwarranted, but would needlessly expose these communities to the risk of future flooding.

For this reason, I am deeply disturbed by the recent statement from the Corps that they intend to halt all construction of the 202 project this year and to return the project to the drawing board for further study. While I advocate the continued funding of the full project, I'd like to respond to Assistant Secretary Gianelli's criticisms specifically as it relates to my district, as this is the portion with which I'm most familiar.

In his letter addressed to the Chair, Secretary Gianelli asserts that there is no Corps report on the project which demonstrates its feasibility. Mr. Chairman, this is simply not true for the portion of the project located in my district. On the contrary, the Corps, state authorities, and private engineering firms have all examined the project. They have come to the conclusion that it is most definitely feasible.

Second, Secretary Gianelli objected to the continued construction on the grounds that the public wasn't aware of the scope of the project.

Mr. Chairman, the public in the Upper Cumberland area has been actively involved in the debate and development of this project. In Pineville alone, public hearings were held on July 1, 1981, October 26, 1981, December 10, 1981, December 21, 1981 and January 18, 1982. In

ADDITION, THE CORPS INFORMS ME THAT THEY HAVE MET WITH PUBLIC OFFICIALS IN THE COMMUNITIES AFFECTED BY THE PROJECT.

THE MEMORY OF THE FLOOD OF '77 IS FRESH IN THE MINDS OF MEN AND WOMEN ALONG THE UPPER CUMBERLAND, FROM HARLAN THROUGH WILLIAMSBURG. JUST FIVE YEARS AGO, THEY SAW THE FLOODWATERS RISING OVER THEIR ROOFS AND RUSHING THROUGH THEIR STREETS. YOU CAN BE SURE THAT THE PUBLIC IS EXAMINING THESE PROPOSALS CAREFULLY. REMEMBER, IT'S THEIR HOMES THEY'RE PROTECTING.

THE ASSISTANT SECRETARY ALSO CLAIMS THAT THE CORPS WOULD HAVE TO RELOCATE LARGE SEGMENTS OF THE POPULATION. AGAIN, THE DISTRICT CORPS OFFICE HAS MADE IT CLEAR TO ME THAT THIS IS NOT THE CASE ALONG THE UPPER CUMBERLAND.

HE ALSO CLAIMS THAT LOCAL COMMUNITIES ARE NOT SHARING THE COSTS SUFFICIENTLY. BUT THE AUTHORIZING LEGISLATION WAS CLEAR ON THIS POINT, STATING IN SEC. 202 (A) THAT THE FLOOD CONTROL MEASURES WERE TO BE CONSTRUCTED AT "FULL FEDERAL EXPENSE." THE CONGRESS ORDERED THIS PROVISION RECOGNIZING THE POVERTY OF THE REGION AND THE LACK OF LOCAL REVENUES TO CONSTRUCT THE FLOOD PROTECTION. IN ADDITION, I'D LIKE THE PUBLIC RECORD TO BE CLEAR THAT THE STATE HAS COMMITTED ITSELF TO SPENDING $10 MILLION FOR THE JOINT FLOODWALL/HIGHWAY CONSTRUCTION. THIS REPRESENTS NEARLY 20% OF THE TOTAL COST OF THE PINEVILLE PORTION OF THE PROJECT.

FINALLY, THE ASSISTANT SECRETARY CLAIMS THAT THERE IS NOT ENOUGH EVIDENCE OF ECONOMIC JUSTIFICATION FOR THE PROJECT. MR. CHAIRMAN, THE FLOOD OF '77 CAUSED MORE THAN $27 MILLION IN DAMAGES IN MY DISTRICT ALONE. NINE HUNDRED HOMES WERE DESTROYED OR SEVERLY DAMAGED. PROPERTY OWNERS WERE FORCED INTO LONG-TERM DEBT WHICH CONTINUES TO BURDEN THE COMMUNITIES. AND IF THERE IS JUST ONE MORE FLOOD OF THIS SEVERITY, THE TOTAL DAMAGES FROM JUST THESE TWO FLOODS WILL EXCEED THE TOTAL COST OF THE UPPER CUMBERLAND PORTION OF THE FLOOD CONTROL PROJECT.

BUT MR. CHAIRMAN, THE ECONOMIC IMPACT OF THE FLOODING FAR OUTWEIGHS THE COST OF REPLACING HOUSES AND REPAIRING THE STORES. THE ENTIRE HOPE FOR ECONOMIC DEVELOPMENT IN THIS REGION WILL HINGE ON ADEQUATE FLOOD PROTECTION. NO MATTER HOW HARD THESE COMMUNITIES WORK TO HELP THEMSELVES, THEY WILL HAVE NO HOPE FOR SUCCESS IF THE FLOODING CONTINUES AS A PERSISTENT THREAT. LET ME OUTLINE THESE PROBLEMS FOR YOU.

FLOODING DEVASTATES PROPERTY VALUES. FOR EXAMPLE, IN PINEVILLE, WHICH WAS SEVERELY HIT DURING THE FLOOD OF '77, THEIR PRE-FLOOD TOTAL

MARKET VALUE WAS $19.3 MILLION. IN 1980, THE TOTAL PROPERTY VALUE CAME ONLY TO $17.9 MILLION, A FALL OF 11%. AND IF INFLATION IS TAKEN INTO ACCOUNT, AND THE PROPERTY VALUE IS CONSIDERED ON THE BASIS OF REAL DOLLARS, PROPERTY VALUES FELL BY A STAGGERING 40%.

PINEVILLE WASN'T SO LUCKY. THE WATER RUSHED OVER THE LEVEES AND FLOODWALL, WHICH WERE JUST TOO LOW, AND CAME POURING INTO THE TOWN. THE RESULT WAS $27 MILLION WORTH OF DAMAGES.

THE CORPS HAS NOW PROPOSED A HALT IN CONSTRUCTION IN ORDER TO CONDUCT A REVIEW OF THE PROJECT. MR. CHAIRMAN, IN 1969 THE UPPER CUMBERLAND CRESTED ABOVE THE CURRENT FLOOD PROTECTION. IN 1973, THEY FLOODED AGAIN. AND IN 1977, WE HAD THE WORST FLOOD ON RECORD. THESE FLOODS HAVE BEEN OCCURRING EVERY 4 TO 5 YEARS, AND IT IS NOW EXACTLY 5 YEARS SINCE THE LAST FLOOD.

WHEN THESE WATERS RISE AGAIN, MR. CHAIRMAN, AS THEY ARE SURE TO DO SOONER OR LATER, THE MEN, WOMEN AND CHILDREN IN MY DISTRICT WILL NEED MORE THAN PROMISES AND MORE THAN STUDIES TO PROTECT THEM FROM THE RUSHING CURRENTS. THEY'LL NEED FLOOD PROTECTION.

FOR THESE REASONS, MR. CHAIRMAN, I URGE THE COMMITTEE TO SUPPORT THE APPROPRIATION OF $16.4 MILLION TO ALLOW THE CONTINUED CONSTRUCTION OF THE 202 PROJECT IN FY 83. MR. CHAIRMAN, MY INTENTION HERE IS TO REQUEST FUNDING AT FULL CAPABILITY. THE CORPS HAS NOT OFFICIALLY RELEASED FIGURES STATING THIS CAPABILITY, BUT IN TESTIFYING BEFORE THIS SUBCOMMITTEE, BRIGADIER GENERAL KEM STATED, IN RESPONSE TO A QUESTION FROM THE CHAIR, THAT $16.4 MILLION WOULD BE NEEDED, FROM AN ENGINEERING POINT OF VIEW, TO ALLOW FUNDING AT FULL CAPABILITY. I AM REQUESTING FUNDING AT FULL CAPABILITY.

Big South Fork National River and Recreational Area

The next project I'd like to bring to the Committee's attention is the Big South Fork National River and Recreational Area.

Mr. Chairman, the Congress is going to have to make many difficult budget decisions this year. More than ever, programs are evaluated in terms of whether they are essential, whether they constitute a legitimate function of the Federal Government, and whether they will unleash private efforts that will lead to more jobs, more businesses, more thriving local communities.

The Big South Fork stands up admirably to this line of investigation.

Big South Fork is a unique natural wonder. With its rive and gorge, it has the potential to become the Yellowstone of the East. With its combination, not just of rivers and great natural beauty, but also mountains, forests and a broad range of recreational pursuits, it will offer a wide choice of vacation possibilities to individuals and families.

And these exciting vacation possibilities will be accessible to tourists from the nearby urban areas who may not be able to afford longer trips with the current high gasoline prices.

But Mr. Chairman, exciting as these possibilities are, they don't indicate what I see as being the special thrill of Big South Fork.

Big South Fork is expected to attract more than 1 million visitors each year to McCreary, Pulaski and Wayne Counties, as well as to the neighboring counties in Tennessee. They will require service stations, restaurants, campgrounds, shops and motels--businesses and services which the men and women in my district are able and willing to provide.

These visitors will have a substantial and beneficial impact on the local economies. In 1986, they are estimates to spend $42,656,000 locally; in 1991, this is expected to reach $93,841,800. Since, in 1978, the total lodging, restaurant, amusement and recreation-based revenue in McCreary County totaled only $956,000, the potential for economic development as a result of the Big South Fork is absolutely enormous.

And these additional revenues will mean jobs. These are jobs right at home, so that the men and women of my district will not have to leave their homes and families to find work. It is expected that there will be at least 1761 new jobs as a result of Big South Fork in 1986 and 3676 new jobs by 1991--and these are conservative estimates.

And the spinoff effects from these jobs will contribute to the economic development of these communities. And since McCreary County is now suffering from double-digit unemployment, these benefits are particularly needed.

Mr. Chairman, the Big South Fork will accomplish many of the goals of current administration in terms of encouraging economic development. But most important, it will allow these communities to help themselves.

Mr. Chairman, I urge the Committee to approve the funding of $16,875,000 for construction, as requested by the Corps of Engineers.

Upper Cumberland River Basin Study and Wolf Creek Dam

The Cumberland River is a maverick among Kentucky's rivers--it flows to the south instead of to the north. This Cumberland River is contrary in other regards as well. On the one hand, its lake offers a fisherman's and boater's paradise, the breathtaking Cumberland Falls, and the serene beauty of still waters and surrounding tree-covered mountains.

This lake and river have profoundly benefited Pulaski, Wayne, Russell, and Clinton Counties, which have already developed an infrastructure and array of services to fully meet the needs of the water-based tourist trade.

But on the other hand, the maverick river threatens the residents of the Upper Cumberland River Valley with the sobering possibility of flooding, as I described earlier.

The Corps of Engineers is conducting a continuing study of the areas affected by flooding. In particular, I am eager for them to continue to focus these necessary efforts on the towns of Harlan, Loyall, Wallins Creek, as well as Pineville and Barbourville.

These towns are essential to the country's supply of coal. But without protection from flooding, these communities will be unable to attract and develop the business and population base needed to support this growing coal industry.

Federal dollars spent on this flood protection are thus not only humane, but are also good business, as part of our nation's efforts to develop a self-sufficient energy base.

The Administration has requested $300,000 to enable the Corps to continue the Upper Cumberland River Basin Study. I recommend that the Committee approve this entire amount.

Wolf Creek Dam

The Wolf Creek Dam constituted the first phase of the Cumberland Lake Project, beginning in 1950.

Originally, the Dam was intended to control flooding and to generate hydroelectric power (it now has six generators, which generated approximately one billion kilowatt hours of electricity in 1982).

As I have mentioned, however, the lake itself now offers rare recreational facilities as a bonus to the hydroelectric and flood control efforts.

I wholeheartedly advocate that the Committee approve the $2,516,000 in Operation and Maintenance money requested by the Administration.

Laurel River Lake

The Laurel River lake promises to be a welcome addition to Eastern Kentucky's tourist attractions. The Grove Recreation Area with its one hundred unit campground and the Craigs Creek-Marsh Branch with a small swimming beach are expected to attract at least a million visitors each year.

And while I support the increase in tourist business that is expected to result, I also appreciate the important short-term benefits to the region as well. It will employ approximately 100 workers during the construction. In addition, the money spent on procurement of asphalt, concrete, lumber, sewer and water line pipes and electrical, roofing and plumbing equipment will provide a welcome stimulus to the businesses of the area.

The Administration has requested $2,170,000 for construction and $608,000 for operation and maintenance. I urge the committee to adopt this request.

Martin's Fork

Finally, I would like to indicate my strong support for the $436,000 in operations and maintenance funds for this lake in Harlan County.

This lake is important in two regards. First, it helps to reduce the flood elevation in Pineville by more than a foot. And second it offers the greatly appreciated side benefits of recreational opportunities for local residents.

I certainly urge the committee to adopt the Administration's request.

Mr. Chairman, the projects I have outlined include a wide variety of projects, including flood control, major tourism trade development and small recreational endeavors. But these projects all have the same objective: they will help the people in these communities to help themselves. They will offer protection from the annual threat of the rising spring tides. And they will provide the needed seed money to spur a major tourism industry in a depressed region.

Each of these projects is essential to the well being of the communities involved, each is a prudent expenditure of taxpayer money, and most of these projects are vital to the very lives of people in these communities. The Committee has supported these projects in the past and I urge their continued appropriation.

Letter From Evelyn Marston, Chief Clerk, Kentucky House of Representatives

March 23, 1982

Rep. Carl D. Perkins
2328 Rayburn House Office Building
Washington, D. C. 20515

Dear Sir:

Enclosed you will find a copy of Resolution No. 78 adopted by the House of Representatives March 19, 1982.

Sincerely,

Evelyn Marston
Evelyn Marston, Chief Clerk

Kentucky General Assembly—Adopted by House March 19, 1982

HOUSE RESOLUTION NO. 78

THURSDAY, MARCH 4, 1982

Representative Roger Noe introduced the following resolution which was ordered to be printed.

A RESOLUTION requesting the President of the United States to direct the Secretary of the Army to comply with congressional mandate to fund the construction of flood control projects on the Levisa and Tug Forks of the Big Sandy and the Upper Cumberland River by the Corps of Engineers; and the Chairman of both the House and Senate Appropriations Subcommittes that review water projects to investigate the Secretary of the Army's actions.

WHEREAS, chronic flooding in Eastern Kentucky and its subsequent damages is well documented and every major rainfall brings the threat of rampaging water; and

WHEREAS, a special study of the natural hazards in the Appalachian area found that between 1968 and 1978 there were 127 floods which equaled or exceeded the 100-year flood level in 62 counties; and

WHEREAS, the latest and most devastating flood occurred in April, 1977, and is known to have taken the lives of ten (10) persons, injured 2,255, caused property damages to 9,715 families and destroyed or severely damaged 4,507 homes and businesses; and

WHEREAS, it is estimated that over $175 million dollars in disaster relief was poured into the fifteen (15) Kentucky counties declared emergency disaster areas after the flood of April, 1977; and

WHEREAS, the counties in this area are among the leading coal producing counties in the leading coal producing state in the Nation and the increased utilization of the coal resource in this area is a necessary and essential part of the Nation's urgent need for energy; and

WHEREAS, the large number of recurring floods, the actual damage caused by the floods, to both present and potential development, and the sociological/psychological damages to persons requiring rehabilitation or relocation evidence the necessity for immediate design and construction of flood control measures to prevent or reduce future damages from floods; and

WHEREAS, current conventional evaluation policies (benefit/cost ratio) do not adequately recognize nor account for the consideration necessary to support and retain a local labor force and adjunct social infrastructure necessary for extraction and utilization of coal, our basic energy resource; and

WHEREAS, a broad program encompassing a combination of structural (local flood protection projects such as the Pineville Flood Wall) and non-structural (flood safe land development, evacuation-warning system, etc.) measures similar to the Tug Fork Program is essential to effectively reduce flood damages; and

WHEREAS, the United States Congress enacted the Energy and Water Development Act of 1981 in October of 1980 (PL96-367); and

WHEREAS, Section 202 of this Act authorizes and directs the Secretary of the Army "to design and construct" flood control measures for communities on the Levisa and Tug Forks of the Big Sandy and the Upper Cumberland River; and

WHEREAS, "Congress finds that the benefits attributable to the objective set forth in Section 209 of the Flood Control Act of 1970 exceed the cost of the flood control measures authorized by this section" (PL96-367, October 1, 1980); and

WHEREAS, the Secretary of the Army has violated both the spirit and the letter of the legislation and has failed to comply with the mandate of Congress as set forth in Section 202.

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the President of the United States is hereby requested to direct the Secretary of the Army to comply with the mandate of Congress in regard to Section 202 of the Energy and Water Development Act of 1981.

Section 2. That in support of the actions initiated by the Kentucky Congressional delegation, the Chairman of both the House and the Senate Appropriations Subcommittee that review water projects are hereby requested to investigate the Corps of Engineers actions.

Section 3. That the Clerk be directed to send copies of this resolution to the President of the United States, the Secretary of the Army, the Assistant Secretary of the Army, the Chairman of both the House and Senate Appropriations Subcommittees for review of water projects, the Kentucky Congressional Delegation, and the Governor of the Commonwealth of Kentucky.

POSITION PAPER—YATESVILLE DAM AND RESERVOIR

A STATEMENT BY THE FIVCO AREA DEVELOPMENT DISTRICT IN SUPPORT OF THE PROPOSED YATESVILLE PROJECT. THE FIVCO AREA DEVELOPMENT DISTRICT IS A REGIONAL PLANNING ORGANIZATION CHARGED WITH THE RESPONSIBILITY FOR THE COORDINATED PLANNING AND DEVELOPMENT EFFORT IN BOYD, CARTER, ELLIOTT, GREENUP AND LAWRENCE COUNTIES, KENTUCKY.

CONSISTING OF THE FIVE COUNTIES OF BOYD, GREENUP, CARTER, ELLIOTT AND LAWRENCE, THE FIVCO AREA DEVELOPMENT DISTRICT COMPRISES 1,500 SQUARE MILES AND 140,000 PEOPLE. THE REGION IS LOCATED IN NORTHEAST KENTUCKY AND IS BOUNDED ON THE NORTH BY THE OHIO RIVER; ON THE EAST BY THE BIG SANDY RIVER; ON THE SOUTH BY THE RUGGED MOUNTAINS OF THE CUMBERLAND PLATEAU; AND ON THE WEST BY SMALLER HILLS WHICH BORDER KENTUCKY'S FAMOUS "BLUEGRASS REGION." THE REGION IS COVERED WITH VERY BEAUTIFUL LANDFORMS AND THE COUNTIES ARE RICH IN COAL RESERVES.

NINETY PERCENT OF THE REGION IS STILL COVERED WITH FORESTS, BUT THESE AREAS UNIQUELY CONTRAST WITH THE OHIO RIVER VALLEY WHICH IS INDUSTRIALIZED AND URBANIZED. HISTORICALLY, THE REGION'S ECONOMY HAS BEEN SOLELY DEPENDENT UPON LOCAL NATURAL RESOURCES IN FACT, EXPLOITATION OF COAL, CLAY, PETROLEUM, SALT, NATURAL GAS, SAND STONE, AND TIMBER DOMINATED EMPLOYMENT POTENTIALS WITHIN THE REGION. HOWEVER, FARSIGHTED BUSINESSMEN, CIVIC LEADERS, AND PUBLIC OFFICIALS HAVE DILIGENTLY ATTEMPTED TO DIVERSIFY THE REGION'S ECONOMIC BASE. THE RESULT OF THIS WORK IS FIVCO'S AREAWIDE ACTION PLAN AND REGIONAL CAPITAL IMPROVEMENTS PROGRAM WHICH WAS FUNDED BY THE APPALACHIAN REGIONAL COMMISSION AND OUTLINES A MULTI-PHASE APPROACH TO REGIONAL ECONOMIC DEVELOPMENT.

THE KEY TO FIVCO'S SUCCESS IS A BOARD OF DIRECTORS THAT IS WILLING TO THINK BEYOND COUNTY LINES AND APPROACH PROBLEMS IN A REGIONAL MANNER. AS PART OF ITS OVERALL DEVELOPMENT STRATEGY, THE BOARD HAS ATTEMPTED TO DIVERSIFY THE REGION'S ECONOMY BY PROMOTING BOTH INDUSTRIAL DEVELOPMENT AND TOURISM. IN LIGHT OF THIS BACKGROUND, THE YATESVILLE DAM AND RESERVOIR IS A CRITICAL ELEMENT IN THE OVERALL ECONOMIC DEVELOPMENT STRATEGY OF THE DISTRICT.

IN LIGHT OF THE FIVCO DEVELOPMENT STRATEGGY, THE FIVCO BOARD OF DIRECTORS ON TWO OCCASIONS SUPPORTED THE CONSTRUCTION OF THE YATESVILLE DAM. SPECIFICALLY THE BOARD SUPPORTS YATESVILLE BECAUSE OF THE FOLLOWING:

(1) JOB DEVELOPMENT IS FIVCO'S MOST IMPORTANT UNDERTAKING. THE YATESVILLE PROJECT WILL CREATE JOBS BOTH DURING CONSTRUCTION AND AFTER COMPLETION. DURING 1978 THE ARMY CORPS OF ENGINEERS ESTIMATE THAT TWO HUNDRED NEW JOBS WILL BE CREATED BECAUSE OF THE PROJECT. AFTER CONSTRUCTION, PEOPLE WILL BE NEEDED TO OPERATE THE DAM, MAINTAIN THE PARK, AND OPERATE RECREATION FACILITIES. ADDITIONALLY, JOBS WILL BE CREATED BECAUSE YATESVILLE WILL ATTRACT INVESTMENT INTO LAWRENCE COUNTY. NEW STORES, RESTAURANTS, MOTELS AND SPECIALITY SHOPS WILL BE CONSTRUCTED, AND JOBS WILL BE CREATED. THE CORPS OF ENGINEERS HAS ESTIMATED A BENEFIT ATTRIBUTABLE TO YATESVILLE OF $470,000 YEARLY FOR JOB DEVELOPMENT AND REDEVELOPMENT.

(2) THE YATESVILLE PROJECT WILL PROVIDE RECREATIONAL BENEFITS TO RESIDENTS OF KENTUCKY, OHIO, WEST VIRGINIA, TENNESSEE, AND VIRGINIA.

WITHIN TWO HUNDRED MILES OF THE PROPOSED YATESVILLE DAM ARE THE MAJOR METROPOLITAN AREAS OF LEXINGTON, KENTUCKY; CINCINNATI, OHIO; HUNTINGTON, WEST VIRGINIA; COLUMBUS, OHIO; AND CHARLESTON, WEST VIRGINIA. THE CITIES OF DETROIT, MICHIGAN; TOLEDO, OHIO; AND CLEVELAND, OHIO, ARE ALSO WITHIN EASY COMMUTING DISTANCE. THE FIVCO REGION IS PROUD OF ITS RECREATIONAL AMENITIES AND YATESVILLE WILL FURTHER ENHANCE THE REGION'S DEVELOPMENT AS A NATIONAL RECREATION CENTER. FIVCG HAS EXCELLENT FACILITIES FOR CAMPING, FISHING, BACK PACKING, CANOEING, AND SWIMMING. IN ADDITION TO PARKS, THE DISTRICT HAS SUCCESSFULLY COMPLETED A ONE HUNDRED NINETY MILE HIKING TRAIL CALLED "THE JENNY WILEY TRAIL." THE CONSTRUCTION OF YATESVILLE CAN ONLY ENHANCE THE POTENTIAL OF TOURISTS AND NATURALISTS TO UTILIZE THIS HIKING TRAIL. RECREATIONAL BENEFITS OF THE PROJECT ARE ESTIMATED AT ONE MILLION DOLLARS PER YEAR

(3) YATESVILLE, IF CONSTRUCTED, WILL NOT NEGATIVELY AFFECT OR HARM THE ENVIRONMENT.

EVEN ENVIRONMENTALISTS AGREE THAT THE YATESVILLE PROJECT WILL CAUSE NO SERIOUS HARM TO THE ENVIRONMENT. THERE ARE NO UNRESOLVED ENVIRONMENTAL ISSUES CONCERNING YATESVILLE. AN ENVIRONMENTAL IMPACT STATEMENT HAS BEEN FILED AND ACCEPTED BY THE COUNCIL FOR ENVIRONMENTAL QUALITY AND THERE HAVE BEEN NO FINDINGS AGAINST THE IMPACT STATEMENT. THE PROJECT WILL NOT AFFECT ANY ENDANGERED OR RARE ANIMALS, NOR WILL IT DO DAMAGE TO RARE FLORA FOR NO SUCH PLANTS OR ANIMALS HAVE BEEN IDENTIFIED AT THE SITE.

(4) THE YATESVILLE PROJECT WILL HAVE A POSITIVE EFFECT ON THE QUALITY OF THE WATER SUPPLIES IN THE BIG SANDY AND OHIO RIVER DRAINAGE BASINS

IT IS ESTIMATED THAT WATER QUALITY BENEFITS RESULTING FROM YATESVILLE CAN BE CALCULATED AT A RATE OF $657,000 PER YEAR. THE REASON FOR THIS IS THAT MANY OF THE STREAMS AND TRIBUTARIES OF THE BIG SANDY RIVER FLOW AT LOW RATES DURING THE SUMMER AND FALL. DURING THESE PERIODS OF LOW FLOW THE DISSOLVED OXYGEN LEVELS AND THE POLLUTION LEVELS OF THESE STREAMS ARE VERY HIGH. THE YATESVILLE PROJECT WILL ASSURE A MINIMUM, BENEFICIAL FLOW LEVEL IN THESE STREAMS AT LOW FLOW PERIODS. CONTROLLED, MINIMUM FLOWS WILL ASSURE THAT POLLUTANTS AND DISSOLVED OXYGEN WILL BE ASSIMULATED INTO GREATER WATER FLOWS DURING THE YEAR.

(5) AS OF MARCH, 1977, EIGHT MILLION DOLLARS (OR FOURTEEN PERCENT /14%/ OF THE TOTAL ESTIMATED COST OF COMPLETING YATESVILLE) HAVE BEEN SPENT.

THE YATESVILLE PROJECT HAS BEGUN AND AS OF MARCH, 1982, 12 MILLION DOLLARS HAVE BEEN SPENT ON THE PROJECT. THROUGH FEBRUARY 18, 1977, $4,700,000 HAD BEEN SPENT BY THE ARMY CORPS OF ENGINEERS ON REAL ESTATE ACQUISITION. FIFTY-SIX PERCENT (56%) OF THE TOTAL PROJECT AREA IN TERMS OF ACREAGE HAS ALREADY BEEN ACQUIRED. FURTHERMORE, $107,000 HAVE ALREADY BEEN SPENT ON ACCESS ROADS TO THE DAM SITE AND $3,000,000 HAVE BEEN SPENT ON ENGINEERING AND DESIGN. MOST

IMPORTANTLY, 112 FAMILIES HAVE ALREADY BEEN RELOCATED FROM THE PROJECT AREA.

FOR THE ABOVE FIVE REASONS THE BOARD OF DIRECTORS OF FIVCO CONTINUES TO SUPPORT THE YATESVILLE DAM AND RESERVOIR PROJECT AND SUGGESTS THAT ALL LOCAL, STATE, AND FEDERAL AGENCIES CONSIDER THE BENEFITS THE PROJECT WILL GIVE TO THE REGION.

RESOLUTION

WHEREAS, the FIVCO Area Development District is an organization charged with the total responsibility for the development efforts in the counties of Boyd, Carter, Elliott, Greenup and Lawrence, and

WHEREAS, job development is one of the important undertakings of this total development effort and be it recognized that through the exploration of the potential present in the tourist and recreation industry, a great number of jobs will be produced, and

WHEREAS, the importance of impounded water is a natural focal point for the development of the tourist industry, and that the development of a major tourist related facility is dependent upon such development, and

WHEREAS, provision for flood control and water supply for industrial and commercial users contributes to the overall development of the region, and

WHEREAS, flood control for several small communities in Lawrence County, particularly Blaine, will be provided for, and

WHEREAS, the Yatesville Reservoir has been planned and is presently being constructed on the waters of Blaine Creek in Lawrence County, and

WHEREAS, nearly eight (8) million dollars or 14% of the total cost involved has been spent on the Yatesville project to date, and

WHEREAS, this reservoir and its development has never been opposed by any major organized opposition group in the past or present.

NOW THEREFORE, BE IT RESOLVED, (1) the FIVCO Area Development District supports the construction and the completion of the Yatesville Reservoir, and (2) that the FIVCO Area Development District spread on its minutes the endorsement of this resolution and that a copy be furnished to President Carter, members of the Public Works Committee of both the House and Senate, and public newspapers in the five counties.

RESOLUTION

WHEREAS, the FIVCO Area Development District is an organization charged with the responsibility for the total development effort in the counties of Boyd, Carter, Elliott, Greenup, and Lawrence, and

WHEREAS, Job Development is one of the important undertakings of the total development effort and be it recognized that through the exploitation of the potential present in the Tourism and Recreation Area a great number of jobs can be produced, and

WHEREAS, the importance of impounded water is a natural focal point for the development of the Tourist Industry and that the development of a major tourist related facility is dependent upon such development;

NOWTHEREFORE BE IT RESOLVED, that the FIVCO Area Development District supports the construction of the Yatesville Dam and BE IT FURTHER RESOLVED, that the FIVCO Area Development District will be the nonfederal participant for both the Yatesville and Kehoe Dams as required by Public Law 89-72.

STATEMENT OF JARRET A. PETERS, JR., LOUISA, KY.

I worked for the U.S. Postal Service for 25 years and the last 10 years was in the capacity of Postal Supervisor - One of the duties of this position was inspection and supervise the Rural Delivery Service and City Delivery Service.

During the spring and fall seasons every year we encountered flooding in almost all of our rural delivery area.

The construction of the Yatesville **Dam** would prevent over half of this flooding.

After retirement from the Postal Service 10 years ago I became a real estate broker and insurance agent.

Thru experience as an real estate agent and insurance agent I became acquainted with the Flood Disaster Protection Act of 1973 which requires the Federal Insurance Administration to publish information on known flood prone communities and to notify them of their tentative indentification as such.

Parts of the City of Louisa, Lawrence Co., Ky. is listed in their flood hazard area. The city of Louisa, Ky. **has** escaped flooding because of our elevation but the outlying areas are flooded every year. The construction of the Yatesville Dam would prevent this flooding.

The construction of the Yatesville Dam would help to reduce the mounting loss of life (which has totalled over 10,000 people in this country since 1900) and property damage (which currently totals over $1 Billion a year) will be substantially reduced by local community commitments to the Flood Disaster Protection Act. It is estimated that by the year 2,000, adherence to sound flood plain management (that is construction of Flood controll dams and community participation in this Act) will reduce economic loss from flooding by $ 1.7 Billion a year.

The construction of the Yatesville Dam would contribute greatly in assisting in reaching this goal.

The U.S. Corp of Engineers have studied the Yatesville Dam feasibility for over 25 years and it is a matter of public record that construction of the Yatesville Dam would prevent flooding.

Congress has appropriated money to continue this construction but for some reasons things have come to a stand still. There was $ 2 Million dollars appropriated two years ago and approx. $800,000.00 of this has been spent on preparation for a cemetery site. Last year 3½ Million was appropriated and none of this has been spent. Why?

STATEMENT OF ROSE W. PERRY, LOUISA (KY.) JUNIOR WOMAN'S CLUB

The General Federation Woman's Club - Louisa Junior Woman's Club, a member of the largest woman's volunteer organization in the world, is deeply concerned about the lack of progress on the Yatesville Dam Project.

We are grateful for the money appropriated during the past two (2) years, but we cannot understand why this money is not being used by the Corp of Engineers to work toward the completion of the Yatesville Dam. We further question the authority of William R. Gianelli, Assistant Secretary of the Army (Civil Works), to halt further construction on this project because he does not believe this to be a feasible project. If you, our elected Congressmen, support the Yatesville Dam Project by appropriating money for construction, then why can Gianelli stop this project by refusing to spend the money. It is our understanding that even the President cannot ignore or amend a Congressional order. Please help us reaffirm our belief in the democratic form of government.

Our civic organization supports this project, not only for the flood control it will provide, but also for the increased employment and revenue it will bring to our economically depressed area by providing maintenance water control to help support downstream river transportation and by providing a nearby recreational facility. This project will also supply a much needed reservoir of water for towns in both Lawrence and Boyd Counties.

The Louisa Junior Woman's Club respectfully requests further funding of the Yatesville Dam Project during the 1983 Budget Year.

SUBCOMMITTEE RECESS

Senator HUDDLESTON. So with that, we will conclude this morning's session and the subcommittee will be recessed until 2 o'clock this afternoon in the same room.

[Whereupon, at 12:25 p.m., the subcommittee was recessed to reconvene at 2 p.m. the same day.]

(AFTERNOON SESSION, 2 P.M., TUESDAY, MARCH 30, 1982)

NONDEPARTMENTAL WITNESSES

COLUMBIA DAM, TENN.

STATEMENT OF HON. JAMES SASSER, U.S. SENATOR FROM TENNESSEE

Senator SASSER [presiding]. The committee will come to order, and I want to begin today by welcoming my friends from the Columbia, Tenn., area.

This committee, I might say at the outset, has always strongly supported the Columbia Dam project. Unfortunately, for a number of reasons, the project has been slowed down and stretched out in recent years. This committee wants to finish this project just as rapidly as possible. But I will say to you in all candor, we are not getting the cooperation from the administration that we need and I do not believe we are getting the cooperation from the TVA that we need to get.

Last year, when we marked up this bill, I sought assurances from the Office of Management and Budget at the White House that the administration would support additional funds for this project. We added $4 million to the bill over here on the Senate side—$4 million to the Columbia Dam project here on the Senate side. But the word was sent back—OMB would not support additional funds. So when we got to the conference, the House of Representatives refused to accept the $4 million that we had added over here on the Senate side.

When TVA put together the fiscal year 1983 budget request, I encouraged the TVA to ask for new funding for the Columbia Dam, but all OMB would let them ask for was $2 million and none of these funds would be utilized to take this project closer to completion. So I am concerned that the signs we are getting from the present administration are not good. And the signs we are getting from TVA are not that encouraging either. And I am going to help you all I can on this project and I have discussed this with Congressman Albert Gore, Jr., on the House side and he assures me that he is going to help all he can, but we are going to need everybody's help and TVA needs to lobby the administration for the Columbia Dam project more than it has.

This administration needs to recognize that we have a project here that is 40 percent complete, and it just doesn't make any sense to nickel and dime this project to death at this stage of completion.

So I welcome all of you here today. I wanted to put forth that word of concern. As I said before, I think it would be a breach of faith of the people of the Columbia area if the Federal Government were to fail to complete this project.

You have held up your end of the bargain over the years, and I think it is up to the Government and this administration to hold up our end of the bargain.

Having said that, we will lead off with Mr. Claybourne Ross as our witness today. Mr. Ross, I welcome you and welcome all of your associates, including Jim DeBois. We are delighted to see you all.

STATEMENT OF CLAYBOURNE ROSS, EXECUTIVE SECRETARY, UPPER DUCK RIVER DEVELOPMENT ASSOCIATION

ACCOMPANIED BY JIM DeBOIS

Mr. Ross. Thank you Mr. Chairman. We are delighted to be here. First, I might say our friend Lon MacFarland was unable to be here as he suffered a broken arm yesterday about noon and is in the hospital.

We have appeared before your committee over the years and we appreciate the interest and helpfulness that this committee and the Congress has given this project, and we thank you.

The Columbia Dam project is the people's project. It is a necessary one. It is a key development since it would provide flood control, improved water quality, a very necessary water supply, expand recreational facilities, and increase job opportunities.

The project has the wholehearted support of the local government, of the Tennessee Valley Assembly, of Governor Alexander and prior governors, of our Senators, of our Congressmen and, of course, of the Honorable Joe J. Evins, who was a distinguished Member of this Congress several years ago. We consider him one of our most respected public servants. I am pleased to report that he has returned home and he is making excellent recovery from a recent heart attack.

The project was approved by the Congress and first appropriations were made in fiscal year 1969. OMB applied the Federal Water Resources Act to this particular project. As a result, the contract was brought between TVA, the Upper Duck Development Agency, and the five water systems in the area, and that particular contract is on schedule. It calls for a payment of $16.2 million for construction of the Normandy and Columbia River dams.

The use and abuse of the environmental laws and regulations by persons from outside the Duck River development has become quite a problem. It has brought about delays and increased costs to this particular project. Expeditious completion of the project makes economic sense and it is in the public interest. In view of the delays to which this project has been subjected, we suggest that the project be exempt from the Endangered Species Act, its rules and its regulations, to avoid further delay and escalation of the cost.

Your committee has studied various projects and the funds invested in these water projects have returned more than the amount invested. In the area of unemployment, the watershed average is 11 percent. In Maury County the average is 13 percent. This project is needed from the standpoint of improvement of the employment situation.

The completion of the Columbia Dam is essential to the economic well-being and industrial development of the area. We suggest an appropriation of up to $30 million is within the TVA capability.

ENDANGERED SPECIES PROBLEM

The problem of the endangered mussels which have been used by those people from outside the watershed has brought about much delay and added cost. We noticed just the other day in a newspaper release that the snail darter on the Tellico project cost over $30 millions and brought about a 3½-year delay. The Duck River project has experienced the same abuse and we feel its unreasonable delays and escalation of costs are unjustified.

The Congress 2 years ago directed the TVA to complete this project by August 1985. About three-fourths of the total project, that is the Normandy and the Columbia Dams, has been completed. The Columbia Dam alone is 40-percent complete. There are 12,000 acres, which is approximately 50 percent of the reservoir area that has already been purchased. As a result of these things, we feel like this dam should be completed as rapidly as is possible.

We are, indeed, grateful for what this committee has seen fit to recommend and to complete this project so that the benefits from this project can be realized. Our citizens feel that we have a good faith commitment from the Government for the completion of this project. At this particular point, again, we want to thank you for listening to us and at this time, I would like to introduce to you Mr. Jim DeBois of Columbia, Tenn.

Senator SASSER. Thank you, Mr. Ross and Mr. DeBois. I am looking forward to hearing your testimony. We have got a vote on the Senate floor now. When we get five buzzers, I am going to have to get up and run out. I hope you understand, but I will be right back. Why don't you proceed and see how far we get.

Mr. DEBOIS. You know how lawyers are, it takes us twice as long to say what we want to say.

Senator SASSER. I have been practicing that profession for 15 years. Remember, we get paid by the hour.

Mr. DEBOIS. Let me say, I am here as a private citizen and president of a chamber of commerce, not an attorney. I am strictly here as a citizen of this area and also representing the chamber of commerce. The chamber of commerce, as you very well know, is a pretty strong organization in Maury County. It is made up of about 800 or 900 individuals in the community. Of course, the goals of the chamber of commerce are not only to develop the economic conditions of the area, but more importantly, to make the county a better place to live. That is the reason why I am here today, because we have got a situation in our county now where we have worked hard over the years. The number of man-hours of labor that has gone into this dam project from the citizens of not only Maury County but the surrounding counties, as well as the number of man-hours of labor spent by you and other representatives here in the Congress over the years, all indicate that there is no question that this is a very well-deserved project.

It is needed. Of course, any time anyone, as you know, needs to make a decision about a project, they try to find out is there a need for this service or project. I think there is no question there is a need for water in Maury County, Tenn., and the surrounding counties. Is that going to be the fifth?

Senator SASSER. That's going to be the fifth and we will suspend here and I will get back just as quickly as I can.

Mr. DEBOIS. Thank you.

[A brief recess was taken.]

Senator SASSER. The committee will come to order.

Mr. DeBois, we will proceed with your testimony.

Mr. DEBOIS. Thank you, Senator Sasser.

We can all understand the importance of making these votes, so we can understand your having to leave us. We appreciate your prompt return also.

Before I get back into my presentation, I would like to add, to show you the kind of support we have in our area—the people from the Duck River area to stand up that are supporting the project. [Large group standing.]

I think you will see among the groups here a lot of friends and familiar faces you have known over the years. I think that is just indicative of the type of support we have, people take time out of a busy schedule to spend their own money up here to try to get the project through.

As I was saying the time before the vote, looking at this from a business point of view, we know there is a need for this water project there. We all know and you know, any time there is delay in construction of anything, this delay usually means increased costs, no question about it. You take the example of a homeowner building his own home, if it takes twice as long to build it than normal, then it is going to cost a lot of extra dollars. That is the situation we ran into with the Columbia Dam. That was estimated to be $56 million. That was in the mid-1960's. It is now up over $200 million.

I think we see the importance of not allowing this delay to continue in the future as it has in the past. I will be the first to say, I recognize the support that you and others have given this project. The delay has been brought about by private citizens mostly from outside the area who have been taking laws that have good backgrounds, good intentions, this sort of thing, and are abusing the laws—well, as mentioned by Claybourne a moment ago, the snail darter.

I think it is about time Congress looked at the overall laws there and made sure that the intent Congress had in mind was being fulfilled because I think all of us agree on the importance of the environmental legislation. But it is being abused and that is the problem we have run into. It has increased the cost of our dam tremendously.

Second, from the business point of view, I think we need to look at what happens when you appropriate funds. The dollars that are going into this project are going to be returned to the U.S. Treasury, a substantial part of it. First of all, you have for salaries of employees there at the dam site, they will be paying social security, withholding taxes, whatever. In addition to that, you are going to have industrial growth, many more jobs, more money backing, so from an economic standpoint, this project is very worthwhile notwithstanding the need for the water itself, especially in a time when we have almost 13-percent unemployment in Maury County.

We are substantially higher than unemployment across the Nation. We need this project to help out our local economy.

From the dollars and cents standpoint, you are very well aware of the commitment the local citizens have made to this project. We have pledged up to $16 million, a very substantial part of those funds already in the bank, and we will no doubt have all the funds in the bank by the time we are required to pay TVA. Again, from an economic standpoint, this project is well justified and it can withstand the test of anyone looking at it.

I would like to touch just for a moment on what my views are as just a private citizen, notwithstanding my being president of the chamber. I feel the people in this area are beginning to feel the Government is maybe not being responsive in certain areas. I think the abuse of the environmental laws is a good example of this. As I said earlier, it is a good law, it is just being abused. There is no question that this project will and has withstood the challenges on every environmental ground we have seen.

There has been court case after court case, the courts have always upheld the environmental impact statement, the endangered species case, and whatever. So I think the attitude of our citizens is going to be turned around if Congress will get behind this project and get on with the completion date that the Congress, you and other Members of Congress have already mandated and that is to finish by 1985 or 1986. It was originally agreed to be completed in the 1970's. We have already gone past that. We can't afford to continue to delay. You mentioned at the outset about the point of the attitude of TVA and, of course, the President. I know that we are lacking the support of the administration.

I don't know if it is related strictly to his attempts to cut the budgets completely, cut all budgets, or whether it is some attitude toward this project specifically. But I do know that TVA in times past have supported this project. When it was originally started in the late 1960's, the TVA board endorsed it. We were all concerned when Chairman Freeman took over under President Carter in the mid to late 1970's and the board again came out behind this project.

So, the TVA in times past has supported us. I have no reason to believe they are not continuing to support this project. I think instead of their not supporting it, I think they are being forced by the administration to cut their budget. I understood, I don't know if it was true or not, but they told them to ask for only $2 million and, "We are going to take it out of your general appropriations bill." So in order to save the jobs, they were forced by the Office of Management and Budget to cut back this to a very low dollar amount. There is no question they can spend almost $36 million. They have said so in their own figures.

We are asking for about $30 million of those funds so we can get on with this important project.

I am sure you recall a few years ago, a part of the constitutional idea, how it fits into this project. The Constitution, of course, says the Congress is going to appropriate funds and I think regardless of what the TVA's attitude is or what the President's attitude is—of course he has his right of veto—but if Congress would get behind this project and appropriate funds for it, I think it will withstand any challenges made to it and I think we can be much more happy with a completed project.

Hopefully, we can invite you down in 5 or 6 years, whatever, and have ground opening for the dam. Again, thank you very much for your previous support and we are looking forward to working with you.

Senator SASSER. Thank you, Jim. Just let me say that there is a lot in what you say there about the problem of funding the project here in the last year or two. We very strongly support it here on the Senate side and this committee has supported it very strongly, and we need to build as much support behind it as we can on the House side.

I know that your new Congressman Gore, is a strong supporter and has indicated that to me and I think has been supportive in the past.

Just let me say to all of you, you made a very persuasive case as always. I am going to continue to press to complete this project just as soon as we can possibly get it completed. I might say the support that this project has in the Columbia area, I think, is exemplified every year when we have these hearings by the number of citizens of that area who travel up here at their own expense just to bear witness by their presence that this project does have the support of the overwhelming majority of the citizenry in that area and that they are solidly behind it. I appreciate your presence very much today, as we have in year's past.

Having said that, we have five bells up there again and I am going to have to run back to the floor and vote once more. You might wonder how I manage to stay so chubby running back and forth like this, but somehow I manage to do it. We are going to suspend briefly until I can get back. Thank you very much for coming.

[A brief recess was taken.]

[The statement follows:]

STATEMENT OF LON P. MACFARLAND, LEGAL COUNSEL, UPPER DUCK RIVER DEVELOPMENT AGENCY AND ASSOCIATION

My name is Lon P. MacFarland. I am Legal Counsel for the Upper Duck River Development Agency and Association, in which post I have served for many years without fee. I speak for these organizations. The Agency is an official State Agency created to further this project. The Association is a citizen's organization representing some 130,000 people of Bedford, Coffee, Marshall and Maury Counties of Tennessee through which the Duck River flows on its way to the Tennessee River.

We have appeared before your Committee on other years, and we appreciate the interest and helpfulness of this Committee and the Congress in support of the Duck River Project (Columbia and Normandy Dams and Reservoirs, Planning Report No. 65-100-1). This Project has met with the enthusiastic approval and support of the people of the area affected. On their behalf, we thank you. This is the people's project, a very necessary one, and is the key to the development of the area since it will provide flood control, improve water quality, expand recreational facilities, afford a very necessary water supply, increase and enhance job opportunities in the area.

The Project has always had the wholehearted support of local governmental agencies, Tennessee General Assembly, the Conservation Commissioner, Governor Alexander and prior governors of the State, Senators Sasser and Baker, Congressmen Beard and Gore and, we feel, of the Tennessee Delegation. It has had the support of the Honorable Joe L. Evins, a distinguished former member of Congress and one of Tennessee's most respected public servants, who is well known to your Committee. I am glad to bring to you the good news that he is making an excellent progress towards recovery from a recent attack and expects to be out of the hospital soon.

HISTORY

The TVA Act passed by Congress in 1933 authorized projects such as this. No further authorization was necessary for TVA to build these dams except that subsequent funding was required. The original planning report was submitted to and approved by Congress, and the first appropriation was made for the fiscal year 1969. Shortly after the approval of this Project, the Office of Management and Budget insisted on applying the Federal Water Resource Act provisions as used in western projects to TVA projects. As a result, there was negotiated a contract between the Upper Duck River Development Agency, TVA and the five cities in the area that have water facility and distribution plants. This contract obligated the Agency and water systems to pay to TVA and the United States Government $16,200,000 as a local contribution for water supply. To accomplish this, the users of water in the five water systems were charged $.05 for every 1,000 gallons of water used beginning in 1972; and these funds have been paid into a trust fund for repayment of the obligation. This fund now amounts to over $3,175,000. Payments are on schedule, and there seems little doubt that the agency will pay to TVA the first payment of $5,700,000 due under the contract in 1986 (ten years after the closing of the Normandy Dam) and the balance of $10,500,000 when due.

Except for the use and abuse of environmental laws and regulations by persons and organizations generally from outside the area who know little or nothing about the area or its needs and care less, we should be here today inviting you to the celebration of completion of the Duck River Project rather than requesting more funds to complete the Project because it has been unduly delayed and its costs escalated. The persons and organizations responsible for these delays and increased costs bear a great responsibility, but, unfortunately, no financial responsibilities.

The Project is an environmentally sound one and will substantially improve the human environment of the area by providing improved water quality, an adequate and pure water supply, economic development, and a much needed flood control as well as aiding flood control on the Tennessee and Mississippi Rivers, and improving recreation. Since the early 1950's, the Tennessee Department of Public Health, Water Quality Division, or its predecessors, citizens in the area and TVA have worked on and developed a Duck River basin plan, the key to which is the present two-dam project, to provide flow augmentation and improved water quality. Notwithstanding this, several environmental organizations with membership generally outside the area have claimed superior knowledge and have used environmental laws passed and regulations adopted since the original approval of the Project such as NEPA, the Endangered Species Act, the Federal Water Quality Control Act and the requirements of the Corps of Engineers that a 404 permit be obtained, in an attempt to stop or delay this Project. These attacks have been unsuccessful. The federal courts have held that TVA has complied with NEPA. The Commissioner of Health and the State of Tennessee Water Quality Division have held, after lengthy hearings, that the Project does not violate water quality; and the Corps of Engineers has issued a 404 permit. The Project has been unreasonably delayed under the Endangered Species Act by the listing of mussel species, most of which have not been in the Duck River area for more than forty years. In connection with the mussels listed as endangered and for which a critical habitat was designated, TVA and the Fish & Wildlife Division of the Department of Interior have worked out a satisfactory transplant program for their protection. We are advised by TVA and Fish & Wildlife that the program is progressing satisfactorily and that TVA is confident that by late spring of 1983 Fish & Wildlife will be able to certify the success of the program and that the transplant of the listed species is very likely to be successful, thereby removing any remaining condition of the 404 permit that will prevent the closure of the dam.

The listing of the snail darter as endangered in Tellico undoubtedly resulted in an unnecessary increase in cost estimated to have been more than $30,000,000. Now snail darters have been found in several other streams. I recently questioned Dr. Etnier, who was responsible for the listing of the snail darter; and he now admits that the snail darter has been discovered elsewhere and is likely no longer endangered, but the great delay and increased cost have resulted. The same has been true with the Duck River Project where unreasonable delays have escalated the cost.

Such confused action and delays have confused the public and caused citizens to believe that there is a hopeless tangle in government regulations. The citizens do not understand why this Project that has been approved and on which there have been so many hearings should be subjected to such unreasonable delays, and their desires and needs thwarted. We were delighted to read of the recent action of the Congress in reducing unnecessary regulations and thereby reducing cost.

Congress has previously directed this Project's completion by 1985. The entire Project is more than 50% complete. The Normandy Dam and Reservoir was completed and closed in 1976 at a cost of $37,393,000; and it now provides water supply, water quality improvement for the town of Tullahoma, Manchester and Shelbyville (an $8,500,000 filtration plant for Manchester and Tullahoma is now in operation on the Normandy Reservoir), aids in flood control and improved recreation. The concrete structure of the Columbia Dam was completed more than a year ago. More than 12,000 of the 26,000 acres of land needed has been purchased and cleared. Thus far, $63,182,000 have been spent on Columbia. There remains only the construction of a dirt fill adjacent to the concrete structure to allow closure. Bridge and pipeline relocation and the purchase of approximately 14,000 more acres remain to be accomplished.

Expeditious completion of the Project makes economic sense, and it is in the public interest. People of the area have agreed to, and are contributing, what they agreed to contribute. The Project will be of benefit to the area and the State, and, we feel, will contribute to the flood control on the Tennessee and Mississippi Rivers. Delays which have escalated the cost have not been caused locally, but by people outside the area. Although it appears that permit obstacles are being cleared, in view of unreasonable delays to which the Project has been subjected, we do not feel that it is unreasonable to suggest that the Project be exempt from the Endangered Species Act in order to avoid further delay and escalation of cost.

Little was done on the Project in 1980-1981. In 1982, TVA has, from the 1981 appropriation which was deferred until 1982, $16,000,000 which is to be spent on the Project, generally for items not related to land purchase and construction on the dam itself. TVA, for FY 1983, because of the concern for the remainder of its budget and apparently at the direction of OMB, suggested only $2,000,000. TVA naturally did not want a reduction in the budget for its other activities and apparently was concerned that OMB would insist on a reduction of its other budget for any amount appropriated for the Columbia Dam. TVA's capabilities for FY 1983 is approximately $36,700,000; for 1984, $56,600,000; for 1985, $29,300,000; and for 1986, $6,160,000, which would complete the Project. These figures can be reduced by the $16,200,000 of local contribution to the Project.

This Committee's studies have shown that funds invested in water projects have returned much more than the amount of their investment. At present there is approximately a 13% unemployment rate in Maury County and more than 11% in the four counties. The completion of the Dam would greatly improve the economic situation and provide opportunity for industrial development. Our citizens feel that they have a good faith commitment from the Government for the completion of the Project, and they have kept their part of the bargain.

We realize present budget constraints, and we appreciate the need to dampen inflation. The Government already has a substantial investment in the Project, and we believe that it would be unwise to further delay or fail to complete it. We suggest an appropriation of up to $30,000,000 which is within TVA's capabilities to reasonably use in 1983. We will be grateful for whatever recommendations this Committee sees fit to recommend to complete this Project so that its benefits can be realized.

WITNESS LIST

ENERGY AND WATER DEVELOPMENT SUBCOMMITTEE ON APPROPRIATIONS

March 30, 1982

Judge Carlton Norris
Lewisburg, Tennessee

Judge Taylor Rayburn
Columbia, Tennessee

Mayor James L. Bailey
Columbia, Tennessee

Mr. Ray Farley
Lewisburg, Tennessee

Mr. Kenneth Brown
Lewisburg, Tennessee

Mr. Ralph Maddux
Columbia, Tennessee

Mr. Harold Ledbetter
Columbia, Tennessee

Mr. Richard Phillips
Lewisburg, Tennessee

Councilman Arnold Lilly
Lewisburg, Tennessee

Councilman Larry McKnight
Lewisburg, Tennessee

Councilman Rufus Knowis
Lewisburg, Tennessee

Mr. Bill Chaffin
Columbia, Tennessee

Mr. Jim DeBois
Columbia, Tennessee

Mr. John Jewell
Columbia, Tennessee

Mr. Delk Kennedy
Columbia, Tennessee

Mr. Bill Carroll
Columbia, Tennessee

Mr. Ed Bayassee
Columbia, Tennessee

Ms. Barbara Butler
Columbia, Tennessee

Commissioner J. B. Napier
Columbia, Tennessee

Commissioner Ed Chumley
Columbia, Tennessee

Commissioner James Couch
Columbia, Tennessee

Commissioner William English
Columbia, Tennessee

Commissioner Carolyn Hickman
Columbia, Tennessee

Commissioner Mike Kinser
Columbia, Tennessee

Mrs. Taylor Rayburn
Columbia, Tennessee

Mr. Claybourne Ross
Shelbyville, Tennessee

Mr. George Turner
Lewisburg, Tennessee

PAPILLION CREEK AND TRIBUTARIES LAKES, NEBRASKA

PREPARED STATEMENTS

Senator SASSER. The committee will come to order.

I understand that Congressman Hal Daub, who was to be our next witness, and Mel Hoier of the Papillion Valley Preservation Association, have agreed to placing their prepared statements in the record and will not present oral testimony.

Given the situation today, that is most helpful. So, without objection, the statements on the Papillion Creek project will go in the record at this point.

[The statements follow:]

Statement of U.S. Representative Hal Daub From Nebraska

Mr. Chairman, I appreciate this opportunity to testify before your subcommittee today on behalf of the papillion Creek and Tributaries project in Nebraska.

Last year I came before your subcommittee only after we had first formed the Papillion Watershed Coordination Committee (PWCC). The PWCC has been an effective vehicle by which the local interests and concerns have been brought together to form a consensus of opinion on where this project should be heading. Having been personally involved with the first meetings of the PWCC, I am pleased to advise you that this committee is continuing to work effectively and enthusistically.

Last year you were good enough to recommend adequate funding and authority for a reevaluation study according to the wishes of the PWCC, as well as continued construction and land acquisition for dam sites #18 and #20. Thank you for your help last year.

Concerning the monies we authorized for the study, I wanted to let you know how that has been spent to date. Hydrologic and hydraulic studies will determine the magnitude and the characteristics of floods that can be expected to occur in the Papillion Creek flood plain. These studies will be completed within this fiscal year. In addition, there is a building-by-building inventory going on right now which will be correlated with the hydrologic and hydraulic data to determine potential flood damages to the various structures in the flood plain.

A public involvement program is also being established and will continue throughout the study. This program will be designed to keep the public, as well as the members of the PWCC involved in the study and the issues that may arise from this study.

In the last quarter of this fiscal year, work will begin on identifying solutions once the problems are identified. We are hopeful

THAT AN INITIAL SCREENING OF POTENTIAL STRUCTURAL AND NON-STRUCTURAL MEASURES COULD BE COMPLETED BY OCTOBER 1, 1982.

MY DISCUSSIONS WITH THE DISTRICT ENGINEER FOR THE CORPS OF ENGINEERS, AS WELL AS MEMBERS OF THE CORPS STUDY TEAM CONVINCE ME THAT THEY ARE PURSUING THE CHALLENGE AND DIRECTION GIVEN THEM BY THE CONGRESS LAST YEAR IN AN AGGRESSIVE AND EARNEST MANNER. I HOPE YOU WILL JOIN ME IN GIVING OUR SUPPORT TO THESE UNIFIED LOCAL INTERESTS.

ALTHOUGH YOU MAY HEAR FROM SOME WHO DISAGREE WITH TECHNICAL ASPECTS OF THE TIMING OF THIS PROJECT, THESE LANDOWNERS DO NOT WANT TO THWART THE SUCCESS OF THE PWCC AND THE GOAL OF FLOOD PROTECTION FOR THOSE IN THE BASIN. CERTAINLY WE CANNOT AFFORD TO WAIT IN THE FACE OF ESCALATING FLOOD THREATS AND CERTAINLY HOLDING A PROJECT HOSTAGE IS NOT IN THE BEST INTERESTS OF THE VAST MAJORITY OF LOCAL INTERESTS WHO HAVE WORKED SO LONG AND HARD TO MAKE THIS PROJECT SUCCESSFUL. THIS YEAR THE PRESIDENT'S 1983 BUDGET INCLUDES $9.5 MILLION FOR THIS PROJECT. SHOULD THIS LEVEL OF FUNDING BE APPROPRIATED BY YOUR COMMITTEE AND CONGRESS, I AM TOLD THAT $7.4 MILLION WOULD BE SPENT ON LAND ACQUISITION AND INITIATION OF CONSTRUCTION ON SITE #18 AND $1.9 MILLION WOULD BE SPENT ON CONTINUED CONSTRUCTION ON SITE #20 AND $200,000 WOULD BE ALLOCATED FOR CONTINUING THE STUDY I DISCUSSED EARLIER.

I URGE YOU TO SUPPORT THIS LINE ITEM IN THE PROPOSED 1983 BUDGET FOR THE PAPILLION CREEK AND TRIBUTARIES PROJECT.

THANK YOU.

Statement of Papio Valley Preservation Association

A seven point agreement for resolution of the Papillion Valley flood problem had been agreed to by the Papio Valley Preservation Association and the Papio Valley Flood Protection Association, the county boards of Douglas, Washington and Sarpy and the Papio N.R.D., and this had been presented as testimony by all to the House and Senate Appropriation Committees in 1980.

In 1981, the Papio Watershed Coordinating Committee, representing eleven different groups in the Papillion Valley, requested a new study of the Papillion Creek which the Papio Valley Preservation Association endorsed with an amendment added.

It appears necessary in order to get all of the said seven point agreement accomplished and to bring attention to our amendment which stated that, "We approve the basic resolution only on condition that work on Dams 18 and 20 be held in abeyance until the Papio Watershed Coordinating Committee board unanimously approves an alternative plan on the entire project". ~~that~~ We bring to your attention a press release that our Association made in July, 1981 explaining our position at that time. We recieved no action on a deauthorization or a permanent injunction that was agreed to in 1980; our amendment in 1981 testimony was ignored. Still trying to help keep this movement going, our association agreed to take no action to stop the building of Dam 20 as we did not want to jeopardize the study that had been approved by the Congress in 1981.

The Corp of Engineers plans to make land acquisition on Dam 18 in June of 1982, so we have no alternative other than to use the legal steps available when this happens.

Our request here today is that you hold up $9.5 million that is being requested by the Corp of Engineers in the President's budget for F.Y. 1983 for continuation of construction of Dams 18 and 20. The 1982 funds would be adequate to finish 20. It will be necessary for the study to be completed, authorized by the Senate and House of Representatives and appropriations approved for this before construction should begin on Dam 18.

STATEMENT OF THE PAPIO NATURAL RESOURCES DISTRICT

The District's testimony requests support of continued funding for construction of dam site 20, the continuation of land acquisition and initiation of construction for dam site 18 and continuation of the re-evaluation study of the Papillion Creek and Tributaries Project. The testimony notes the continued active involvement of the District in the Papio Watershed Coordinating Committee which is working closely with the Corps of Engineers on the re-evaluation study.

The Papio Natural Resources District wishes to take this opportunity to request continued support for flood control activities related to the Papillion Creek and Tributaries Flood Control Project. This project is of vital interest and concern to the District. The Papillion Creek and Tributaries Project has been discussed many times with your Committee and we will not review historical items which you have in your files. We appreciate your previous support for the project and ask for your continued support of Federal involvement in this needed project.

The Administration's Fiscal Year 1983 proposed budget includes 9.5 million dollars for the Papillion Creek and Tributaries Project. It is our understanding that these funds would be used as follows: 7.4 million dollars for land acquisition and initiation of construction on site #18, 1.9 million dollars for continued construction of site #20 and $200,000 for continuation of the re-evaluation study of flood control needs in the Papillion Creek and Tributaries basin. In Fiscal Year 1982, $5,000,000 was appropriated for this project which has resulted in the beginning of construction on flood control dam #20, start of land acquisition for site #13 and initiation of a re-evaluation of flood control needs in the Papillion Creek basin. We appreciate your support last year for this project and would urge your continued support in the coming fiscal year so that the project can proceed.

During the past year, the Papio Watershed Coordinating Committee met 6 times to discuss this project. The Papio Watershed Coordinating Committee consists of representatives of local governmental agencies and interested organizations that are interested in the Papillion Creek Project. Agencies and organizations represented include the City of Omaha, City of Papillion, City of Ralston, Village of Bennington, Village of Washington, Washington County Board of Supervisors, Douglas County Board of Commissioners, Sarpy County Board of Commissioners, Papio Natural Resources District, Papio Valley Preservation Association and Papio Flood Protection Association. This Committee has been working with the Corps of Engineers as they proceed with the re-evaluation study. It is hoped through the efforts of this Committee a plan that is both effective and implementable will be developed.

In summary, the District urges your continued support for this project and funding levels for Fiscal Year 1983 in accordance with the proposed budget of 9.5 million dollars.

Statement of Mel Hoier, Papillion Valley Preservation Association

In 1975 a temporary injunction was obtained by the Papillion Valley Preservation Association in the Federal Court in Omaha, Nebraska enjoining the U.S. Corp of Engineers from acquisition of land or the construction of Dam No. 10 which was part of a 21-unit series of dams authorized in 1968 by Public Law 90-483. Said injunction is still in full force and effect.

The basis for the injunction was that a reevaluation of all other dams indicated significant modifications which would be inconsistent with proceeding on Dam No. 10.

The reevaluation has resulted in significant changes anticipated by the Court.

Over the years since then efforts have been made by various interested governmental subdivisions and private groups to reconcile differences and agree on measures which would permit a unified presentation to the Congress for obtaining funds for flood protection purposes.

In 1981, at the suggestion of Congressman Daub, an ad hoc committee under the name of Papillion Watershed Coordinating Committee was organized comprising interested governmental agencies and private organizations which it was hoped could harmonize the positions of the various parties.

The principal objections made by the Papillion Valley Preservation Association to Public Law 90-483 was that emphasis on structural dams would be ineffectual and economically unfeasible.

With the cooperation of Congressman Daub, the Corp of Engineers, the ad hoc committee, and the interested parties, it was agreed that a study would be made by the Corp of Engineers of alternatives to dams as a vehicle for flood control.

Disagreement arose, however, as to Dams 18 and 20, which were located in the southern segment of the original Papio program envisaged by Public Law 90-483.

The Papillion Valley Preservation Association and others took the position that if a study of alternatives was to be taken of the entire basin, it was inconsistent to proceed with any part of the original program until the results of the study were completed. The Papio Flood Protection Association and others took the position that land having been acquired for Dam No. 20 and plans had been developed for Dam No. 18, work on those dams should proceed.

Prior to the Congressional hearings in 1980, a seven-point design for action was prepared and approved by the County Boards of Douglas, Sarpy and Washington Counties, the Papio N.R.D., the Papillion Valley Preservation Association and the Papio Flood Protection Association embodying the following points:

1. Develop state legislation requiring control of water runoff in housing and/or commercial developments in the watershed.
2. Promote the acceleration of PL 566 projects under the supervision of SCS and CAP projects of the Natural Resources District.
3. Implement reasonable channelization measures to provide adequate runoff from the watershed.
4. Continue enforcement of flood plain regulations by local units of government.
5. Seek legislation bringing Dam 20 back to active status.
6. Urge funding and construction of Dam 18.
7. Deauthorization, by Congress, of the original Corps Papio Project and proposed Site 3A or a permanent injunction of all dams except numbers 18 and 20, 19 and 21.

This agreement was presented as a joint resolution in 1980 at the Congressional hearing as a basis for approval of a study of alternatives to Public Law 90-483 and for limited funds to keep the Papio project in an active status.

Item 7 is of particular importance to the Papillion Valley Preservation Association because it involves deauthorization of the dams in Public Law 90-483 except 18 and 20, 19 and 21 (Dams 19 and 21 are now on an inactive status), or a permanent injunction. The Papillion Valley Preservation Association recognizes at this time that either a deauthorization or permanent injunction could have jeopardized our chances for a study.

In 1981 the Congress was requested by resolution of the ad hoc committee to provide $5,000,000.00 for construction on Dam No. 20, planning for Dam No. 18, and funding for the study of nonstructural alternatives to Public Law 90-483. The Papillion Valley Preservation Association agreed to this resolution with an amendment added in our testimony stating that work on Dams 18 and 20 should be held in abeyance until an alternative plan was approved. The committees resolution also provided that unless unanimous agreement was reached in the ad hoc committee on the alternatives to be recommended by the Corp of Engineer's study by September 30, 1983, the ad hoc committee would recommend deauthorization of all dams except 18 and 20.

In 1981, the Papillion Valley Preservation Association, because land acquisition had been completed and planning mostly finished on Dam 20, withdrew its objection to proceeding with construction, but, as shown in press release at that time, copy of which is attached, would use its injunctive rights if necessary to keep Dam 18 in abeyance until the study was completed.

Summary of
Papillion Valley Preservation Association Position

The original seven-point agreement provided for a permanent injunction in the Federal Court case or a deauthorization of the Public Law 90-483 plans except for Dams 18 and 20.

Subsequently, the Association relaxed its position as to Dam 20, on consideration Dam 18 be held in abeyance.

As it stands now, there has been no deauthorization as agreed to, no permanent injunction as an alternative to the deauthorization, and Dam 18 is not being held in abeyance.

The association asks further, in return for its forbearance on Dam 18, that there be a deauthorization, or a permanent injunction, or no further work on Dam 18 until the study is completed and agreed to

PRESS RELEASE - JULY 1981

The Board of Directors of the Papillion Valley Preservation Association has learned that the House of Representatives has recommended an appropriation of $5,000,000.00 for work on Dan 20 and 18 of the original 20 dam authorized project for the Papillion Valley, that the Corps of Engineers has been directed to withdraw their recommendation on Dan 3A, and included in the appropriation are funds for study of feasible alternatives to the original Papio plan.

The Board also understands bids have been received for proceeding withe the construction of Dam 20, but any action for the acquisition of right-of-way on Dam 18 would not occur before 1982.

The Board has also reviewed the 7-point program which was agreed to by Washington, Sarpy, and Douglas County Boards of Commissioners, the Papio N.R.D., the Papillion Valley Preservation Association and the Papio Flood Protection Association. This program included a list of alternatives to be pursued and proceeding with sites 20 and 18, all os which were dependent on a deauthorization of the original 20-dam plan or a permanent injunction on the entire authorized dam project with the exception of dams 20 and 18, and the fact that in spite of continual urging by the Association, deauthorization has not been effected or a permanent injunction agreed to by the Corps.

Counsel has advised that in the absence of a reauthorization for Dams 20 and 18, the temporary injunction on 10 could be made applicable to sites 20 or 18.

The Board recognizing that an injunction proceeding at this time could possibly jeopardize the funds for the study, and that such a study is essential for a permanent solution of the possible flooding problem, has decided to take no action on Dam 20.

However, as to Dam 18, until there is a clear indication of the direction of the alternatives being considered by the study committee that is consistent with the objectives of the Association, it is reserving judgement. If any attempt is made to acquire right-of-way or similar steps toward the construction of Dam 18 before the direction of the study is available, the injunctive procedure or any other legal steps available to the Association will be immediately instituted.

STATEMENT OF EDWARD F. GILBERT, CHAIRMAN, SARPY COUNTY (NEBR.) BOARD OF COMMISSIONERS

The Sarpy County Board of Commissioners are pleased with the events of the past two years that will forward the progress toward flood control work on the Papillion Watershed, especially on the West Branch that flows through the cities of Millard and Papillion where Dam Site 20 is under construction and land is being bought for Dam Site 18. This is the area where most of the damage to property and the loss of life occurred in 1964.

We have been reviewing our Subdivision Zoning Regulations and making changes, where possible, to help alleviate increased run off of storm water and sediment from newly subdivided land. This has been a serious problem in the past and with the proposed Erosion and Sediment Control Form (attached herein), being made a part of the permit to subdivide, it will make the developer aware of his responsibility.

We have been, and are looking forward to working earnestly with the Corps of Engineers, Douglas and Washington Counties to resolve the flooding that we have continuously experienced over the years. As a member of the Papio Watershed Coordinating Committee, we have agreeded to back the committee's request that Congress approve the appropriation for this project that the Corps of Engineers have asked for in their budget.

We would like to thank you for your continued support in helping us solve a problem that is of such a vital interest to Sarpy County.

Erosion and sedimentation often occurs as a result of subdivision of land or changes in land use. The present zoning and subdivision regulations require the applicant to address these problems. (See Sec. 12-11, page 22.)

PROPOSED EROSION & SEDIMENT CONTROL

The applicant will be assumed to apply appropriate control measures except as follows:

If this site is:

- a. Over 2 acres in size OR
- b. Contains slopes greater than 10% OR
- c. Has a drainageway carrying runoff from 10 acres or more OR
- d. Will be graded with cuts and fills greater than 2 feet OR
- e. Will have impervious surfaces greater than 10% of the total area

Then the planning board and county board require specific plans regarding erosion and/or sedimentation control. The following are typical methods found to be effective in this area. Please circle those methods which will be used to control erosion and sediment, and prevent damage to adjacent properties from surface drainage. Show schematically where these methods will be used on the preliminary plat or plan of the project.

PURPOSE	METHOD
a. Protect surface of graded areas and slopes	a. Redistribute topsoil b. Seed c. Sod d. Mulch e. Terrace
b. Manage surface water	f. Curb & gutter g. Storm sewer h. Grassed waterway i. Stabilized channel j. Existing channel k. Diversions

c. Reduce sediment loss

l. Sediment basin
m. Filter
n. ____________
o. ____________

Additional Comments: ____________

I propose to utilize methods which are circled above for control of erosion and sedimentation.

____
APPLICANT

RESOLUTION

WHEREAS, the quest for flood control in the Papillion Creek drainage area has been reactivated and is progressing in an orderly manner with the starting of Dam Sites 20 and 18, along with a restudy of the main stem channel; and

WHEREAS, the Papio Water Coordinating Committee, whose members are made up from various interested government entities in Sarpy, Douglas and Washington Counties, along with the Corps of Engineers, are working together to find a solution that will control the flood waters and be agreeable to everyone; and

WHEREAS, the Corps of Engineers have requested, in their budget for 1983, a sum of money that would continue the project without interuption;

NOW, THEREFORE, BE IT RESOLVED, that the County Board of Sarpy County, Nebraska, go on record supporting the Corps of Engineers' request for funding and to ask the Governor of Nebraska and Nebraska's Congressional Delegation to also support it.

DATED this 16 day of Mar., 1982.

Moved by Ray Lind and seconded by Kay Everett that the above Resolution be adopted. Carried.

Yeas: Leon Ruf Ray Lind Edward K. Hilbert
Elaine J. Gapisch Kay Everett

Nays None

SEAL

Edward K. Hilbert
Chairman, Board of County Commissioners

ATTEST: Mary E. Cowger
County Clerk

STATEMENT OF MICHAEL M. GRECO, MAYOR, PAPILLION, NEBR.

It has now been 18 years since the flood waters of the Papillion Creek passed through our community. For those of us who have experienced the loss of lives and extensive property damage, the threat of another flood is always eminent. Why must we continue each year to play Russian roulette?

Today we face an even worse potentially serious flood problem that will become increasingly worse. The flood problem is still here and demands an immediate and positive solution. Unfortunately, the cost of delaying flood control measures for any reason is too often the loss of lives and property.

The Papillion Creek and tributaries flood protection project is vital to our community both for safety and economic reasons. Through the efforts of the recognized Papillion Watershed Coordinating Committee the past year we can still see a light at the end of the tunnel. Continued funding for this project in the fiscal year 1983 budget is essential to prevent snuffing out the light of hope.

I hope you will see fit to vigorously support the fiscal year 1983 budget recommendation for the Papillion Creek and tributaries project.

STATEMENT OF THE PAPIO FLOOD PROTECTION ASSOCIATION

The Papio Flood Protection Association is made up of several hundred residential, commercial and industrial property owners in the Papio Creek watershed, most located on the West Branch of the Papio.

Our organization is pleased that work has begun for construction of Dams 18 and 20 on the West Branch which will provide the most direct flood protection for western Douglas and much of Sarpy County, Nebraska. We urge that the new fiscal year appropriation of $9.5 million, as recommended in President Reagan's budget, receive approval from your committee so that this important effort can continue in a heavily populated area.

As the attached newspaper comments indicate, there has been real improvement in the amount of land in the metropolitan Omaha area that has been removed from flood plain designation and can now be returned to use where it can generate more taxes for local government, more jobs and investment. This has come about because of completion of Dams 11 and 16 which are now in place upstream on the Big and Little Papio Creeks.

We think the same improvements will occur in years to come on the West Branch after Dams 18 and 20 are completed. Of course, the overriding concern is flood control to save lives and property, a concern our group has voiced for some 20 years.

The good start made by the Corps of Engineers must not be sidelined. Approval of the $9.5 million will guarantee additional progress and also provide funding for continued study of flood control measures in all parts of the watershed as proposed by the Papio Watershed Coordination Committee composed of property owners in all three counties in the watershed.

[From the Omaha World-Herald, Monday, Mar. 8, 1982]

PAPIO STUDY OFFERS GOOD TOOL

Thousands of persons in the Omaha area benefit from the recreational facilities near Glenn Cunningham Lake and Standing Bear Lake northwest of Omaha.

The value of the recreational opportunities from man-made lakes is obvious. Less obvious, but more important, is another benefit: flood protection.

Serious flooding in the 1960s prompted the building of the two dams. Until recently, however, no studies have been made of the impact within the Papio Creek basin of the dams themselves, other flood control work, or residential and commercial construction.

The U.S. Army Corps of Engineers has now produced such a study and turned it over to city officials.

The impact of the dams? Dramatic.

Cunningham Lake's Dam Site 11, which lies at the head of the Little Papio Creek, is credited by the Corps of Engineers with reducing the area of the creek's flood plain by 34 percent. Dam Site 16, at Standing Bear Lake, has shrunk the Big Papio's flood plain by 16 percent.

*

That means 1,100 acres in West Omaha no longer need to be designated flood-plain areas. Without that designation, the property can be developed without major earthfilling and without the flood insurance that most lending institutions require on flood-plain projects.

In short, the value of such property is enhanced.

"I would say the flood plain changes would be a boost to development," said Tom Blair, a city planner. "Although, with the economy the way it is, we might not see an immediate effect."

The City Planning Board has unanimously recommended to the City Council the elimination of the 1,100 acres from flood-plain designation.

But another part of the Corps of Engineers study got a cooler reception from the planning board and from some property owners.

That came on the study's recommendation that 572 acres be added to the flood plain because of changes that have occurred over the years. Notably affected would be the Westgate Shopping Center area south of 84th Street and West Center Road.

Inclusion in the flood plain would mean that existing buildings would not be expanded and building permits could not be granted for new construction on vacant land.

*

After the planning board turned down this recommendation, acting City Planning Director James Kelly said he is concerned that failure to adopt zoning regulations based on the latest engineering information could cause the city to be sued if a future flood were to cause major damage.

The city planners agree that flood plain designation can cause hardship for some property owners. But they also point out that, if development continues, other areas not now in danger could be subject to flooding in the future.

"It's like putting water in a bathtub," planner Blair said. "You put some blocks in one end and it's going to force water to the other end and at a higher level."

The good news in the Corps of Engineers study is that the two Papio dams are doing the job for which they were intended. More sobering is the information that new land as well as considerable land in the present designed flood plain faces flooding dangers. The city administration, the Planning Board and the City Council should work for answers to this problem, based on the most recently-available engineering studies.

MISSOURI RIVER LEVEE UNIT R616

Senator SASSER. We will also include the statement on the Missouri River Levee Unit R616 submitted by Milton Fricke of the Papio Natural Resources District.

[The statement follows:]

STATEMENT OF THE PAPIO NATURAL RESOURCES DISTRICT

Missouri River Levee System - Unit R-616 Project:

The District's testimony supports funding for the construction of Missouri River Levee System - Unit R-616. The Papio Natural Resources District, as the local sponsor for this project, has acquired all of the necessary right-of-way for the project. The District is requesting sufficient appropriations in Fiscal Year 1983 so that the project can be completed in a timely manner.

The District, as local sponsor for the project, has made expenditures of approximately $1,057,000.00 for the necessary right-of-way and other local sponsor requirements on this project. The local expenditures to date are approximately 25% of the 1981 total estimated project costs. We understand that the present Corps request for funds for Missouri River Levee System Iowa, Nebraska, Kansas and Missouri does not include funds for construction of Missouri River Levee System - Unit R-616 because of ongoing litigation. We would strongly urge the Committee to include funds sufficient for the Corps to construct this project during the coming fiscal year. We are hopeful that the current litigation, which was tried in Federal District Court in February, 1982, will be successfully resolved so that the Corps can proceed with construction. Action to restore funds for the Federal portion of this project is urgently requested.

The Papio Natural Resources District is requesting your Committee to support funding for a project of vital interest and concern to the District.

The project which we would like you to support is the Missouri River Levee System - Unit R-616 project. The District would like to thank the Committee for including funds in previous appropriations to the Corps of Engineers for Missouri River Levee System - Unit R-616. We appreciate your consideration of our request in the previous years and would like to request your continued support for this project. The District, as local sponsor for the project, has acquired the necessary right-of-way for the project. We are hopeful that the current litigation which has delayed project construction will be resolved in the near future so that the project can proceed. The trial was held in Federal District Court in February, 1982. We are requesting your support for and inclusion in the budget of sufficient appropriations for Fiscal Year 1983 so that this project can be completed in a timely manner.

The District, as local sponsor for the project, has made expenditures of approximately $1,057,000.00 for the necessary right-of-way and other local sponsor requirements on this project. Funds which were used for this acquisition included local tax funds and funds from the State of Nebraska. This large expenditure by the local sponsor was made in anticipation that construction of the project would begin in summer of 1978. The local expenditures to date are approximately 25% of the 1981 total estimated project costs. We understand that the present Corps request for funds for Missouri River Levee System Iowa, Nebraska, Kansas and Missouri does not include any funds for Missouri River Levee System - Unit R-616. We would strongly urge the Committee to include funds, as you have in the past, sufficient for the Corps to construct this project during the coming fiscal year. We are hopeful that the current litigation will be successfully resolved in the near future so that the Corps can proceed with construction. Your actions to restore funds for the Federal portion of this project are urgently needed.

The Missouri River levee system was authorized by the 1944 Flood Control Act as a feature of the comprehensive Pick-Sloan plan. The construction of levee units was initiated in 1948, primarily in the reach from Omaha, Nebraska through Kansas City, Missouri. To date, approximately 25 levee units have been completed. Unit R-616 is one of the few remaining authorized active levee projects that has not been completed. Since authorization in 1946, units of the Missouri River levee project were re-evaluated at intervals for economic feasibility as the upstream main stem reservoirs were being completed. Unit R-616 was re-evaluated in 1972 and was found to be highly economically justified.

This levee unit will be located along the right (west) bank of the Missouri River near the City of Bellevue, Sarpy County, Nebraska. The project would consist of a levee approximately 4.5 miles in length with an average height of approximately 12.4 feet. The R-616 levee would extend upstream along the west bank of the Missouri River from the present Papillion Creek levee which was constructed as part of Missouri River Levee System - Unit R-613.

This unit will provide flood protection to 3,950 acres of Missouri River floodplain. Approximately 3,315 acres are presently agricultural lands and 30 acres are residential. Transportation, communications, recreation, utilities, including the City of Omaha Papillion Creek sewage treatment plant, commercial and other uses account for the remaining 605 acres. A portion of Offutt Air Force Base, headquarters of the Strategic Air Command, will be provided protection by this levee unit.

The project also contemplates utilization of one of the borrow pit excavations for recreational purposes. The City of Bellevue has worked closely with the District on this. The District has acquired for the City of Bellevue lands surrounding the borrow pit which will eventually become a portion of the City's Haworth Park.

The Papio Natural Resources District at its March 10, 1977 meeting authorized the signing of a written agreement with the Corps of Engineers in which the District agreed to assume the local project sponsorship requirements. This included providing without cost to the United States all land, easements and rights-of-way necessary for construction of the project and maintenance and operation of the completed project.

At the present time the project is involved in N.E.P.A. litigation which the District is hopeful will be concluded successfully as early as possible so that the project may proceed. The trial in this case was held in February, 1982 in Federal District Court. The District has fulfilled its local obligation of acquiring all of the necessary land rights for the project and has advised the Corps of their availability. Because of the present involvement of the District and sizeable commitment of funds to this project, we are hopeful that this project can proceed as rapidly as possible. We feel that the multiple benefits including flood control, recreation, and wildlife habitat development which would be derived from this project make it a very desirable project.

It is our understanding that the President's budget does not contain any funds for completion of Unit R-616 because of the current litigation. We would like to indicate to you our support of this project and urge that you include in your appropriation a sum sufficient for construction of Missouri River Levee System - Unit R-616.

We would like to thank the Committee for this opportunity to present our testimony.

CENTRAL ARIZONA PROJECT—OPPOSITION

Senator SASSER. We will now hear from the Citizens Concerned About the Project, Mr. Frank Welsh, executive director.

Is Mr. Welsh here? [No response.]

Without objection, his prepared statement will be inserted in the record at this point.

[The statement follows:]

STATEMENT OF FRANK WELSH, EXECUTIVE DIRECTOR, CITIZENS CONCERNED ABOUT THE PROJECT

Our testimony over the past years has shown that the Central Arizona Project (CAP) is a poor investment of federal dollars. The only logical reason for the continued funding of this obvious boondoggle is a misconception of the water supplies available to Arizona cities. Hopefully, the following information (from upcoming publication) will destroy the most prevalent myths in that area and will result in substantial reductions if not total elimination, in CAP funding.

# # # # #

MYTH: Without more water, central Arizona will dry up eventually into a giant dustbowl... people living there now will be forced to relocate.

This myth seems to have been continually promulgated by politicians and the news media ever since Arizona became a state in 1912. It reached its heyday in the 1940's when Arizona and California were feuding over the ownership of the water in the Colorado River. Small wonder that most Arizonans believe the myth!

In June 1971, Arizona's Department of Planning and Economic Development released a report which stated:

> ... if all of Arizona's current water utilization was allocated to municipal and industrial use, it could support a total state population of approximately 20,000,000 persons or about one-tenth of the population of the United States in 1970.

In spite of this and similar statements by that department, the politicians and the news media continue the myth. After completion of the State Water Plan by the Arizona Water Commission in 1975, headlines proclaimed that central Arizona was facing a water crisis. This area contains three quarters of the state's population, including its largest city, Phoenix.

Quoting the study, the press reported that central Arizona's renewable water supplies could support only 3.7 million people. The state's official population projector, the Department of Economic Security, estimates 5.5 million people in that area by the year 2020 A.D.

This was countered in 1979 by the internationally renowned Herman Kahn's Hudson Institute. Their voluminous study, entitled "Arizona Tomorrow," states:

> If all agricultural water was reallocated to municipal uses in 1970, the state could have supported a population of over 25 million people... Moreover, this scenario does not incorporate development of new water supplies from the Central Arizona Project or others coming on line after 1970.

This means that Arizona can support a population greater than California, the nation's most populous state, which had 23.5 million people in 1980. Herman Kahn's study received much publicity and in 1981, he was selected as the Goldwater Professor of American Institutions at Arizona State University. However, his statements on water were generally igonored and the myth was permitted to continue.

This most important question regarding Arizona's water is also the most confusing: how great a population will our water resources support? In this battle of the experts, who should the man on the street believe? This is the central question and requires an independent, in-depth analysis. The backup data for the following discussion is found in the appendix.

The Arizona Water Commission's 1975 report, which notes that central Arizona can support only 3.7 million people on its existing dependable water supply, adds that this is at the high "historic" rate of water use. It further states that a "reasonable" rate of withdrawal in central Arizona" of 200 gallons per person per day (gpd), the available renewable supply will support 5.6 million people. This takes us beyond the population projections for 2020 A.D.

Man needs less than one gallon of liquid water a day to continue the processes necessary to his body. Modern man and his conveniences require many times that, with washing machines using 30 gallons, a five-minute shower 25 gallons and lawn watering 100 gallons. The average American utilizes 55 gallons each day in his home, plus an additonal 80 gallons per person each day (gpd) for industrial, commercial and public uses. Combined with losses in the water delivery system, the national average rate of urban water use is approximately 150 gpd.

Arizona cities use water at a rate which exceeds 200 gpd, thanks primarily to the 300 gpd rate by Phoenix residents. By encouraging its residents to conserve, Tucson reduced its use from 205 gpd to 140 gpd in the late 1970's. There seems to be no reason other cities can't achieve comparable rates and, in fact, the Water Commission projects the rate decreasing to 150 gpd by 2034 A.D.

At that rate, central Arizona can support more than 7 million people on its existing renewable water supply. This is beyond offical population projections but that population probably wouldn't be exceeded until after 2035 A.D.

For those futurists who inevitably ask "what happens then?", many paths are open. They range from the more exotic to the mundane, from towing icebergs from the artic to the re-use of our existing supplies. The most obvious and probably the least expensive would be further conservation. Several Arizona communities today use water at a rate of less than 100 gallons per day and space age technology has provided a system which uses less than one gpd. At the 100 gallon rate, central Arizona can support more than 11 million people. The projected population for the entire state of Arizona is only 7 million by 2020 A.D.

The City of Tucson's 1974 report on the Central Arizona Project provides the most concise explanation of Arizona's water problem: "Arizona's water supply issue is not so much one of a limited amount of water, it is a legal problem..." In the words of that unforgettable comic strip character Pogo: "we have met the enemy and he is us."

The lifeline of lakes and rivers can permit New York's 7 million people to live in the Phoenix area, where the 1980 population was less than 2 million. Yet headlines in the state's leading newspaper in 1977 proclaimed that the north side of the area was "running dry." The three letter word, SRP is the cause of the problem.

The Salt River Project (SRP) is a special district which was organized in 1903. It delivers water to the lands within its boundaries. Irrigation of these lands began in 1869. Arizona surface water law is based upon prior appropriation-- first in time, first in right. Those lands irrigated prior to the turn of the century use all the flow of the Salt and Verde Rivers in a normal year-- and all these lands are within the project boundaries.

North Phoenix, north Scottsdale and the town of Paradise Valley are outside the boundaries. Therefore, they are not permitted to consume these surface waters. Under existing laws and policies, it is possible that people outside SRP boundaries could be without water while farmers within the boundaries continue to grow cotton. Paradoxically, the next myth is true, even though there is plenty of water available.

MYTH: In the very near future, some Phoenix area residents could turn on their faucets and nothing will come out.

The spectre of people dying of thirst while their neighbors are cotton for export is certainly bizarre. Fortunately, man-made laws, unlike nature's laws, can be changed. Undoubtedly, this "myth" will be a true myth in a fairly short time.

The simplest solution would be to transfer water outside SRP boundaries. SRP is doing this for two irrigation districts outside its boundaries, and a similar decision by SRP's Board of Directors would solve the problem. However, the directors historically represent large landholders who are usually farmers and want all the water they can get.

They want to retain as much of this low-cost water as possible for their own use. They want to keep the water prices low by subsidizing it with revenues from their electrical arm which provides 98% of SRP's revenues. Throughout the decade of the 1970's, this subsidy amounted to approximately $10 million a year. As a result, water in the SRP area is delivered to the land for less than a penny a ton. This means that water, which is supposedly so precious, is cheaper than dirt.

Only property owners within SRP boundaries are permitted to vote for these Directors. Apartment dwellers and other renters who use considerable amounts of energy are not allowed to vote. Large areas outside SRP boundaries receive SRP energy but are not permitted to vote. Many areas within SRP boundaries receive energy from another utility but can vote to keep their water rates low through the subsidy from their neighbors' SRP electric bills.

This system is not easy to change. When the legislature gave SRP the status of a municipality in 1934, it created a city with powers to condemn land, etc. This removed SRP from the control of the Corporation Commission which regulates the other utilities. It left an unregulated monopoly, controlled only by SRP's Board of Directors.

Unfortunately, the legislature did not change the irrigation district's "one acre, one vote" method of electing these Directors. As a result, the citizens of this "city" are acres and it takes the owners of 800 fifth-of-an-acre city lots to equal the vote of one farmer with 160 acres. Any politician knows the futility of fighting 800-to-one odds in an election. So SRP Directors have always represented the large landowners. In a 5-4 decision, the U.S. Supreme Court in early 1981 overturned two lower courts and held the voting arrangement of the SRP constitutional.

SRP will be almost totally urbanized before the turn of the century, so eventually it will come under urban control, and the problem will surely be solved.

Politicians have chosen another route to solve this artificial water shortage. They have simply ordered Central Arizona Project water to serve those areas outside the SRP boundaries. This multibillion dollar project will be repaid with property taxes and increased water bills from all residents. Thus residents within SRP, who have plenty of water, will share in the cost of this expensive man-made solution to a man-made problem.

Informing the citizenry of this situation might lead to a change in SRP policy or in state law. Instead, the City of Phoenix gives tens of thousands of tax dollars to the CAP Association to promote the importation of more water. Dean Mann, in his 1963 book "The Politics of Water in Arizona" explains where this Association gets most of its funds: "Irrigation districts, industries, professional, agricultural, financial, and business interests all contribute according to the nature and amount of interest involved." SRP's man-made shortages permit those promoters of the CAP to use the slogan "Water for People" to sell that expensive project to an uninformed citizenry.

While the City of Phoenix merely estimated its future population outside the SRP District and ordered CAP water accordingly, the City of Scottsdale did commission one of the leading water consulting firms in the Southwest to study its future needs. In its 1975 report, the engineers found the supply adequate within the District but concluded that the city would not have an adequate supply outside SRP's boundaries by the year 2000 unless:

> ... groundwater is uneconomically mined, exportation of water from the Salt River Reservoir District becomes possible, or water from the Colorado River is imported via the Central Arizona Project.

The Interior Department projected the cost of mining groundwater to be lower than the cost of CAP water for at least 50 years, so it is certainly more economical than CAP water.

MYTH: Tucson will dry up and blow away because of dependance on non-renewable well water.

This myth was directly refuted by Mayor Murphy of Tucson in testimony before the U.S. Congress in 1978, but it still persists in the Arizona news media. A more technical rebuttal was provided by the respected engineering firm of Black and Veatch. In a 1977 analysis of Tucson's water system, they stated:

> The Tucson Water Utility has considerable water resources available to meet its future needs. Immediate requirements are restricted primarily by the ability to pump and transmit water from the source of supply to the point of use.

Thus, the fact that Tucson depends upon well water does not in itself indicate a probable water shortage. Almost half the municipal water systems in the U.S. depend on well water to varying degrees. The main question is how long will Tucson's underground supply last?

According to the aforementioned 1977 engineering report, the recoverable supply would last for more than 230 years, at the maximum projected needs for the year 2000 A.D. That projection covers only the Tucson Basin portion of the Santa Cruz Valley. The report adds that the Avra Valley supply would be adequate for another 180 years.

In fact, the report projected a 550-year supply. It also states that losses which may result from litigation are relatively small in comparison to available supplies, and that the estimates do not include wastewater reuse, CAP supplies or groundwater recharge. In a typical engineering understatement, the consultants added: "Conclusion reached upon our studies to date indicate quite adequate supplies." This study was commissioned by the largest bank in Arizona. In spite of this and other equally credible studies, the "dry up and blow away" myth continues.

At least for now, Tucson need not even mine its stored groundwater. Each year, rain and snow fall on the mountains surrounding the city. Instead of being stored in surface reservoirs, the runoff from these mountains "recharges" to the vast underground reservoirs, as figure 12 illustrates.

According to the 1974 Tucson Staff Report on the CAP, this renewable supply is enough to support the city's present population well beyond the turn of the century. The problem is that mines and agriculture are also consuming water in the Tucson area. In 1980, the state legislature passed a new groundwater code which prohibits groundwater mining after the year 2020. It thus appears that another man-made shortage has been created, and that the Tucson area will "need" more water in the future-- even though it sits atop a tremendous underground reservoir.

STATEMENT OF SCOTT BURGE, MARICOPA AUDUBON SOCIETY, PHOENIX, ARIZ.

This Society is very concerned about dam safety in the Salt River Valley in Arizona. We note that both Roosevelt and Stewart Mountain Dams on the Salt River must be repaired, according to the October 1981 "Factbook" prepared by the Orme alternatives study committee. Roosevelt can be raised for $100 million and a new dam can be built for $130 million while Stewart Mountain can be repaired for $30 million. We strongly recommend that this be done as soon as possible and note that the $160 million appropriated this year for the Central Arizona Project could be better used to repair these two unsafe dams.

We are, however, quite concerned about the amendments to the Dam Safety Act that would permit construction of a new dam on the Verde River, called Cliff Dam. Cliff is supposed to protect the two existing dams from failure. We have serious questions as to whether the existing dams are unsafe and whether the new dam is the way to solve the problem. Again according to the Orme alternatives study, Cliff Dam will cost $241 million. The Bureau of Reclamation itself has stated that the dam safety problem on the Verde can be solved for only $210 million (May 1981 study). This includes repairs to spillways of both Horseshoe and Bartlett Dams.

Horseshoe Dam, according to a report by the Salt River Project (dated September 1981), would probably fail from the flood that would occur once every 3000 years. The flood would be so big and the dam so small that its doubtful whether its failure would be noticed in the downstream Phoenix area. Therefore, we suggest that Horseshoe Dam need not be repaired and can be replaced once every 3000 years for about $18 million (1980 dollars). Bartlett Dam downstream is a concrete dam that would be overtopped once every 1000 years. Such overtopping would not cause failure of the dam. The Bureau's study showed that the dam's spillway can be enlarged for only $85 million (compared to Cliff's $241 million price tag). A study by a private consultant shows that the spillway can be improved for only $12 million. We, therefore, ask these Committees to be very leery of appropriating a quarter billion dollars for an unncessary dam on the Verde River.

The following comments, which update the Central Arizona Project controversy, are from an upcoming publication.

* * * * * *

Soon after attaining statehood in 1912, Arizonans began promoting a plan to bring Colorado River water to central Arizona. Federal engineers originally called the concept a "mad man's dream" but by 1947 a feasibility report was completed which stated:

> Unless additional irrigation water is made available to the project area, the equivalent of a 30 percent reduction in the presently cultivated lands in the area must eventually be effected. The Central Arizona Project is needed to sustain the agricultural economy of the area.

In 1940 Arizona irrigated 665,000 acres. By the early 1950's, this almost doubled and has remained relatively constant through 1974, when it again increased. Between the early 50's and 1968, however, the state's economy more than doubled, showing that it was no longer dependent on its agricultural economy.

Arizona had changed but the CAP had not. With the solid support of every Arizona politician, the project was authorized in 1968. It consisted of 300 miles of aqueduct, four dams and 547,000 kilowatts of energy from the Navajo Power Plant in northern Arizona. The January 1982 estimated construction cost was $2.5 billion. By mid-1981, the Navajo Power Plant was completed, while only one quarter of the actual water delivery system had been funded. The estimated completion date is sometime in the late 1980's.

The CAP is being built by the U.S. Bureau of Reclamation under the provisions of the 1902 Reclamation Act. The purpose of the Act was to make it possible for settlers to homestead the arid public lands in the West. In contrast, the CAP legislation expressly forbids irrigation of new lands, except on Indian Reservations. Most of the CAP water was slated for agriculture in an endeavor to eliminate the groundwater mining.

Shortly before authorization, the solidarity of Arizona's support was shattered by several agricultural economists from the University of Arizona who pointed out that agriculture returned less than 10 percent to the state's personal income while consuming 90 percent of its water. More water was obviously a poor investment. From that point on, the project's purpose seemed to shift to a need for "water for survival" of Arizona's rapidly growing cities.

As we have seen, the facts belie the avowed purposes of the project, but facts were in short supply in the early days of the CAP. Most Arizonans thought the CAP was the Civil Air Patrol. In Washington, D.C. Arizona was seen as a sand-dune desert where people were dying of thirst. Most Arizonans assumed the porject would be paid for by the federal government, while Congress was led to believe the CAP "loan" would be repaid by Arizona.

MYTH: The CAP is a federal gift to Arizona, and/or Arizona will repay the CAP loan.

Both statements are half true. Arizona must repay the CAP loan, but without interest on the cost of water going to irrigation. Municipal and Industrial (M&I) water costs will be repaid an interest rate of only 3.342%. With the prime interest rate exceeding 20% in the early 1980's, this is truly a federal gift to Arizona.

In his 1978 "An Economic Analysis of the Central Arizona Project," Dr. Thomas Power, Chairman of the Economics Department at the University of Montana, calculated the resulting federal subsidy at $1.7 billion when compared with a 7% interest rate. He adds that "the subsidy from the U.S. taxpayer is likely to be significantly higher than calculated below."

Dr. Power also observed that the "CAP will cost Arizonans a terrific amount of money." His study showed it will cost the state $1.4 billion, in 1977 dollars. This is more than the entire state budget for that year. In 1980 dollars, it will cost more than $70 million a year just to operate the CAP.

MYTH: Arizona needs more water at any price.

Believe it or not, one of Arizona's leading conservatives actually made this statement at a CAP hearing in Washington in 1977. No one would make this statement about gold, oil, or virtually any other commodity. It typifies the "water is different" syndrome. It could be true if Arizonans were going to die of thirst but we have seen that's far from the case. It could also be true if there were no "free market" in water--and that is more nearly the case.

We have already seen that the value added by communications is almost 2000 times greater than cotton, and communications employs almost 70 times more people. Yet the only way the communications industry can acquire surface water (groundwater may be different under the new code) from the cotton farmer is to buy the entire farm. Water itself cannot be bought and sold. The right to use it goes with the land. This makes it difficult to determine a fair price for water, and locks that water into low value uses.

In Arizona, the unit of water measurement is the acre foot (af). It appears to be a uniquely Western concept used to deal with large quantities of water. It is equal to 325, 851 gallons. In 1980, the Salt River Project delivered water to the land in the Phoenix area for less than $7/acre foot. An acre is roughly equivalent in size to a football field so an acre foot would cover that field with water one foot deep. A foot of dirt over the same area would cost more than $7 so water in the Phoenix area is not just "dirt cheap" -- it's cheaper than dirt.

This water is highly subsidized, however. Even in its lowest value uses, it is priced at half its real value. Numerous studies have calculated that the value of additional water is around $15 af. In its 1974 CAP report, Tucson noted that it was paying $20/af to pump groundwater-- and that CAP water would cost the city $135/af!

In its 1977 review of the CAP, the U.S. Department of Interior confirmed the Tucson analysis when it noted that it would cost the U.S. Government $141/af to provide CAP water. Why would Arizona and the U.S. want to pay such an exorbitant amount for water when there are already ample supplies available at a fraction the cost? The answer seems to lie in the myths we have already explored-- and in even more myths.

MYTH: The CAP will produce an abundance of jobs.

The high price of CAP water doesn't bother some, who contend it will produce thousands of jobs. There is no doubt that during its construction period, the project will do just that. The more important question is whether investing in this type of project is the best way to employ people.

A 1973 study reported in the American Society of Civil Engineers Journal compares the employment demand created by shifting investments from Army Corps of Engineers construction projects to other federal programs. The Corps performs work similar to the Bureau of Reclamation.

If the purpose of the CAP is to produce jobs, there are many more effective and useful ways to achieve this goal. Tax relief would provide 11% more jobs. Reducing funding for water projects could provide both tax relief and more jobs.

In 1977, one of the authors of this same study indicated that highway construction would produce 20% more jobs than Corps' projects. Highways appear to be Arizona's major "need" for the 80's. In a 1981 special session, the state legislature increased gasoline and other taxes to raise more than three billion new dollars for that purpose. Within a few months, a record number of signatures were collected to repeal the gas tax increase. The revenue that would have been collected amounted to $1.4 billion-- less than Arizona would have to repay for the CAP.

Arizona need not begin repayment of the CAP until it is "substantially completed." Perhaps her taxpayers will decide to use these funds for other purposes. If not, it is possible that the U.S. Congress will look again at the economics of the CAP and withhold funding, although it would appear that the U.S. Congress has been subjected to the next myth.

MYTH: The CAP's benefits far exceed its cost.

Before Congress authorizes a water project, it generally requires that the benefits it will produce at least equal the cost of building it. The Bureau of Reclamation's economic analysis of the CAP showed that it would return $1.60 in benefits for each dollar invested. However, its parent agency, the U.S. Department of Interior, severely criticized the Bureau's economic analysis when it reviewed the CAP in 1977, and concluded that less than 58¢ in benefits would be received for each dollar invested.

The Bureau of Reclamation (BR) concluded that the value of CAP water to Muncipal and Industrial (M&I) users was $200 an acre foot. This certainly is suspect, especially when water in the Phoenix area at that time was being sold for less than $7/af. How did the BR arrive at the conclusion that new CAP water was 30 times more valuable than was being charged for existing supplies, which are more than adequate for projected M&I growth? BR simply "assumed" that central Arizona cities would build their own CAP. Dr. Power in his 1978 study explains the meaning of this assumption:

> Since the privately built unit would not be able to get capital from the government at a subsidized 3.25 percent but would have to borrow the money at market rates... the costs... are guaranteed to be higher. Thus no matter whether the water is needed or not, a higher positive benefit can be calculated by the BR.

The CAP will consume 547,000 kilowatts of energy to lift water uphill into central Arizona. Believe it or not, BR used this consumption of precious energy as a benefit! Again quoting Dr. Power:

> This magic which transforms a major electric cost into a major electric benefit is possible because lumped in with CAP is an electric generating facility which already exists and which has nothing to do with the CAP.

This energy is provided by the Navajo River Power plant which produces $2.25 in benefits for each dollar invested. Dr. Power's final argument on this issue is most telling:

> Diverting the funds of the Navajo plant to CAP is no different than diverting tax revenues to CAP. Both remove monies from the federal treasury. Yet, hopefully, no one would claim federal tax revenues as a benefit of CAP.

The Bureau's economic analysis also exaggerated agricultural benefits. It took as benefits the income that would be produced by using CAP water on new farms with the typical mix of cotton, grain, vegetables, etc. This is irrational because the CAP law specifically prohibits irrigating new farms. Also, CAP water would logically go to the least valuable crops, like hay. While we have seen the value of additional water is only $15/af, BR managed to get the value of agricultural CAP water to $100/af. Since this is more than the cost of pumping groundwater, there should be no benefits to farms that rely on that source.

The Interior Department summarized its criticism of the Bureau's economic analysis as follows:

> These problems reflect a general failure on the part of the Bureau of Reclamation in its benefit-cost analysis for the Central Arizona Project to make a serious attempt to determine what would happen in central Arizona without the Central Arizona Project and then to compare this with what would happen if the Central Arizona Project is built.

The Department concluded that the depth to groundwater would have to exceed 1000 feet to justify the cost of CAP water. They added that the present depth to groundwater generally ranges from 300 to 500 feet.

Simple logic could be substituted for all this economic analysis. CAP water will be pumped uphill 1200 feet to Phoenix and another 900 feet to Tucson. Therefore, the groundwater depths would have to exceed at least 1200 feet just to justify the energy cost of pumping CAP water uphill, and then the cost of building the project would then have to be added.

The Interior Department's 1977 analysis concluded that the CAP would return only 93¢ in benefits for each dollar invested at the 3.25% discount rate which was in effect when the project was authorized in 1968. The discount rate measures the loss of productivity in the private economy resulting from the displacement of capital by the federal government. In it is used to determine the value of future benefits in today's dollars. Since it seems unlikely that we will see 3.25% money again, Interior also analyzed the CAP at the 6.375% rate used in 1977 and found it would return only 58¢ for each dollar invested. It added that this "may still be overestimated in some respects."

Dr. Power's 1978 study found that the discount rate really averaged more than 11%, but analyzed the CAP at the then "official government" rate of 7.0%. He concluded that 35¢ in benefits would be realized on each dollar invested.

YATESVILLE LAKE, KY.—OPPOSITION

STATEMENT OF CARL BILLUPS, REPRESENTING THE COMMUNITY OF BLAINE, KY.

Senator SASSER. All right, we will move on to the group to testify in opposition to several Kentucky projects, Mr. Carl Billups.

Gentlemen, come forward and have a seat.

Gentlemen, I will ask you to be as expeditious as you can. I am supposed to be in a meeting of the Budget Committee this afternoon, too. I never have learned how to be in two places at the same time. Maybe that is one of the prerequisites of this job. I am not sure.

Gentlemen, if you would bear with us and get through your testimony as quickly as you can, we would certainly appreciate it. Why don't you go first, Mr. Billups, and then Mr. Hatchett, you can follow.

Mr. BILLUPS. I am Carl Billups. I represent the community of Blaine, Ky., and I am here to ask that the Yatesville Dam project be permanently shelved.

Senator SASSER. Would you pull that microphone closer?

Mr. BILLUPS. This proposed project is so full of negative aspects that they completely override any benefits that the community and the taxpayers can derive from it.

William R. Gianelli, Assistant Secretary of the Army for Civil Works, had the following to say:

> This project involves a rock fill dam 104 feet high on Blaine Creek, a tributary of the Big Sandy River. It was authorized in 1965 and its estimated cost at that time was $16.9 million.
>
> The purpose of the project was to reduce flood flows along the Ohio River. The total Federal cost of this project has now escalated to $96.7 million, of which $6.5 million would be reimbursed by non-Federal interests. As of September 30, 1981, a total of $12 million had been obligated and expanded by the Corps, mainly for land acquisition, leaving the project approximately 12 percent complete.
>
> The remaining work to complete the project consists of relocations, reservoir clearing, and construction of the dam, roads, and recreational facilities.

We, the people of Blaine, agree with the facts Mr. Gianelli has in the report. We also feel that if the Yatesville Dam is to serve as a recreational facility, that the $96.7 million, which it will take to finish, is too high a price tag for us to pay right now.

Consider the facts. The freshwater fish cannot flourish in an environment containing excessive amounts of salt and brine sediments, which will certainly be present in the Yatesville Reservoir, and we will surely limit the value of the reservoir as a recreational facility.

Also, if the Yatesville Dam project is built exclusively as a recreational facility it will also have to compete with six other recreational facilities within a 50-mile radius of us, the majority of which cost Kentucky taxpayers money last year.

It is said the Yatesville Dam project will boost the declining economy of the county. It has denied private enterprise of coming in. We have oil fields in existence now that are producing approximately 25,000 barrels of oil and gas per month. There is one company that cannot go ahead because the Government has property bought for the Yatesville Reservoir project.

The people of our community, and I, as their representative, applaud the efforts of President Reagan's administration for its efforts to streamline our Government by stopping the needless and wasteful spending that is so prevalent in some of our country's programs.

With this goal in mind, I would like to urge you to agree that the $800,000 spent last year for the relocation cemetery be the last money spent on this project which is infeasible from all aspects.

So far, by hook or by crook, the Yatesville Dam project has bumped along for nearly two decades. Now after 13,000 acres have been bought and the people displaced, the Reagan administration, as did the Carter administration, says it is time to shelve the $100 million boondoggle.

Last year's appropriation of $4 million was withheld except for the cemetery location. The Corps has been told to come up with more flood control benefits or find a way to resell the land to the landowners. So, therefore, we, the landowners, feel it is time the land gets back into the hands of the people so that development of our area can be returned.

We ask your support for the right of the original landowners and their heirs to have the right to first refusal.

I would like to thank you for the opportunity of presenting these facts before you and your time to listen.

Mr. Bill Hatchett is with the Beach Fork Preservation Association, and will present his statement.

Senator SASSER. Does he speak in opposition to the Yatesville project?

Mr. Hatchett. No.

Senator SASSER. Let me just ask Mr. Billups two questions. No. 1, what county is the Yatesville project in?

Mr. BILLUPS. Lawrence County, Ky.

Senator SASSER. What percentage complete is that project?

Mr. BILLUPS. Twelve. It is 12-percent complete right now.

Senator SASSER. Do you guess you can persuade Representative Carl Perkins that this project——

Mr. BILLUPS. I understand he was over here this morning and took up a little more time than I did.

Senator SASSER. I have heard from Representative Perkins about his project ever since I have been in this Senate.

Mr. BILLUPS. That kind of goes along with what you were saying earlier, if this is only 12-percent complete, we don't need to nickel and dime it anymore.

[The statement follows:]

STATEMENT OF CARL D. BILLUPS II, REPRESENTATIVE OF BLAINE, KY.

I am a representative of the Community of Blaine, Kentucky, here to ask that the Yatesville Dam project be permanently shelved. This proposed project is so full of negative aspects that they completely override any benefit that the community and taxpayers can derive from it.

William R. Gianelli, Assistant Secretary of the Army for Civil Works, has the following to say about the Yatesville Dam:

> "This project involves a rock fill dam 104 feet high on Blaine Creek, a tributary of the Big Sandy River. It was authorized in 1965, and it's estimated cost at that time was $16.9 million. The purpose of the project was to reduce flood flows along the Ohio River. The total Federal cost of this project has now esculated to $96.7 million, of which $6.5 million would be reimbursed by non-Federal interests. As of September, 30, 1981, a total of $12 million had been obligated and expended by the Corps, mainly for land acquisition, leaving the project approximately 12 percent complete. The remaining work to complete the project consists of relocations, reservoir clearing and construction of the dam, roads and recreational facilities.
>
> The concerns which we have with making an $84.7 million committment to complete the project, at this time are that:
>
> (1) In the principal area of Corps of Engineers responsibility--namely flood control--it is noted that, were the project in full operation during a recurrence of the flood of January, 1937, the highest flood of record, the flood stage in Ashland, Kentucky, would be reduced 0.18 feet or about 2 inches. The remainder of the project benefits are primarily recreation and water quality control;
>
> (2) The remaining benefit--remaining cost ratio is .76 at 7 5/8 percent;
>
> (3) The project cost estimate has risen to $96.7 million from its 1972 estimate of $59 million; and
>
> (4) Although we understand that local aspirations for development are a driving force for the project, there is question whether this particular investment is the appropriate means to bring this about."

We, the people of Blaine, agree with Mr. Gianelli. We also feel, that if Yatesville Dam is to serve as a recreational facility, that the $96.7 million price tag is too high. Consider the facts: Fresh water fish cannot flourish in an environment containing excessive amounts of salt and oil brine sediments, which will certainly be present in the Yatesville Reservoir, and which will surely limit the value of the Reservoir as a recreational facility. Also, if the Yatesville Dam Project is built exclusively as a recreational facility, it will have to compete with six other recreational facilities within a 50 mile radius, the majority of which lost money last year, costing Kentucky taxpayers in excess of a million dollars.

It has been said the Yatesville Dam will boost the declining economy of our county. The fact is that it has stunted the growth of the county's economy. It has denied private enterprise access to the millions of tons of recoverable coal and the numerous gas and oil fields which underly the Project area. These fields remain undeveloped and those that were existing and producing have been shut down because of the Yatesville Water Project.

There are, in the upper reaches of the Blaine Valley, over 2,000 oil, gas and water wells involved in the production of these much needed natural resources. Approximately 25,000 barrels of oil and gas are being produced each month. Both the number of wells and the production figures are increasing because a large number of new wells are being drilled in the area.

Hundreds upon hundreds of acres of the most fertile farm land in Eastern Kentucky has lain idle since being purchased for the Yatesville Project. The value of the tobacco, corn and hay crops has been taken from the economy of the community, not to mention the tax dollars that were paid by those land owners. These displaced land owners have for the most part, moved from the county and taken their tax dollars and farming enterprises elsewhere.

The people of our community, and I as their representative, applaud the efforts of President Reagan's administration for their effots to streamline our government by stopping the needless and wasteful spending that is prevalant in some of our country's programs. With this goal in mind, I would like to urge you to agree that the $800,000 spent for the relocation cemetery be the last money spent on this project which is infeasible from all aspects.

By hook or by crook, the Yatesville Dam Project has bumped along for nearly two decades. Now after 13,000 acreas have been bought and the people displaced, the Reagan Administration, as did the Carter Administration, says it is time to shelve the $100 million boondoggle. Last years appropriation of $4 million was withheld except for a cemetery relocation. The Corps has been told to come up with more flood control benefits or find a way to resell the land. We, the landowners, feel it is time to get the land back into the hands of the people so that development of the area can return. We ask you to support the right of the original landowners or their heirs to have the right of first refusal.

Thank you for the opportunity to appear before you and present these facts. Your careful consideration is appreciated.

STATEMENT OF ROGER JORDEN, LAWRENCE COUNTY, KY.

I have been elected Commissioner of District 3, or Justice of the Peace. For many years the Yatesville Dam has been promoted by the Army Corps of Engineers. I can see little good this project would do Lawrence County.

Too many landowners would have to be displaced, too much land to be taken to ever make up for the business.

This project does not provide any real flood protection to any part of the county that needs it.

The project has brought nothing but hardship and controversy to this area. It is my belief, the best thing the Federal Government can do on this matter, the Yatesville Dam, that it is permanently defunded. The second step would be for the Federal Government to sell the land back to the public. It should be of utmost concern, the former landowners or their heirs be given the first refusal on land they were forced to give up for all unjust project.

Speedy action by the Government could mean new jobs for new development for this strife-torn area.

STATEMENT OF J. L. BURTON, PRESIDENT, PEOPLES SECURITY BANK, LOUISA, KY., AND THE BANK OF BLAINE, BLAINE, KY.

I am president of the Peoples Security Bank Louisa, Ky. and The Bank of Blaine Blaine, Ky. The Blaine Valley has made our Banks. If the Yatesville Dam in Blaine Creek is not defunded it will take the Blaine Valley the heart of our County . This dam provides no flood protection and won't bring into our County as much money or prosperity as the land would back in farms & businesses.

It has caused a lot of hardship and controversy please help get this land back in production as we have people in every day moving back from the city looking for some where to farm or build a home.

I would like for this to go on record.

JOINT STATEMENT OF ROGER JORDAN AND CLINTON, RUTH, MART, AND PAULINE CARTER, BLAINE, KY.

We have been displaced by the Corps of Engineers in Lawrence County, Kentucky. We have always felt this Dam would not provide any flood protection for the people or serve we people of Lawrence Co.

We support Pres. Reagans attempt to defund this project.

We hope that the Congress will soon act to deauthorize the Yatesville Dam in Blaine Creek of Lawrence County, Ky. We stand ready to buy back the land that was unjustly taken from us.

STATEMENT OF CHARLES AND PEARL M. THOMPSON, BLAINE, KY.

We are supporting President Reagans effort to defund the Yatesville Dam in Blaine Creek in Lawrence Co. Kentucky.

This Dam does not provide any flood protection for our County, we are within a thirty minute drive of our County Seat of six already constructed Dam sites.

This Yatesville project has caused a lot of hardships on the ones who have been forced to move and a lot of headaches to the people who have not been bought.

CAMPGROUND LAKE, KY.—OPPOSITION

STATEMENT OF BILL HATCHETT, SECRETARY-TREASURER, BEECH FORK PRESERVATION ASSOCIATION

Senator SASSER. Mr. Hatchett?

Mr. HATCHETT. We are in about the same shape. We are in opposition of the proposed Campground Lake in Kentucky. There have been $776,000 appropriated for the last 3 years for study money. We see there is none for the fiscal year 1983 appropriation. We think this project should be deleted from funding now and in the future.

We have left material with you all. I won't read it.

I would like you to study these records and see if you can't agree with us. We would like for this project to be deauthorized completely, if you all see fit after studying this thing. We have left letters from our State Governor and the people. If you read those, you will see why this thing is not up to par right now.

We would like to see our bottom lands—I am a farmer. I have some bottom land that is covered, my neighbors have some. We would like to see this done away with so we can keep on farming. There will be a lot of people who will go on welfare if this thing is built.

Study this thing and see if you can't get it worked out to where we can do away with it, just leaving us to be with what we have got.

Thank you for your time.

Senator SASSER. Yes, sir.

I might say that this project has not been authorized for construction.

Mr. HATCHETT. Yes.

Senator SASSER. So we needn't deauthorize that. We have had a study authorized. I think that is all.

Mr. HATCHETT. We would like for you to review the study, whatever, if that is what it takes.

Senator SASSER. All right, sir. We will study your records and comments with great interest, Mr. Hatchett.

I thank you and Mr. Billups for appearing today.

Mr. HATCHETT. Thank you.

Senator SASSER. You will let me know now when you convince Congressman Perkins on that.

Mr. BILLUPS. OK. I will go over there right now. [Laughter.]

[The statement follows:]

STATEMENT OF BILL HATCHETT, REPRESENTING THE BEECH FORK PRESERVATION ASSOCIATION OF WASHINGTON COUNTY, KY.

My name is Bill Hatchett. I am representing the Beech Fork Preservation Association of Washington County, Kentucky. This is the third year our group has come to Washington to testify in opposition to the Army Corps of Engineers proposed Campground Lake in Washington, Nelson and Anderson Counties in Kentucky.

For the past two years, we have come to ask the committee to deny Representative William Natcher's request for $300,000 (for FY81) and $460,000 (for FY82). We are pleased that there is no appropriation request for FY83. However, we understand that this lack of funding does not change the status of the project. We also realize that the Corps of Engineers is proceeding with their Phase I study of Campground Lake.

We feel that the continued study of Campground Lake is a waste of taxpayers' money and request that any existing funding for the project be discontinued or applied to more useful purposes. We also request that the project be put on the inactive list and considered for deauthorization. Our reasons for opposing the project are as follows:

Campground Lake will take approximately 18,500 acres of land. Much of this land that will be covered with water is our productive bottom lands. These bottom lands are the life blood of our small family farms. The loss of this good farmland is not just a problem for Washington County, but is a national problem. According to the recently released National Agricultural Lands Study, the present rate of loss of farmland will result in a depletion of the nation's cropland base by the year 2000. The Kentucky Soil Conservation Service estimates that Kentucky loses 15,000 to 20,000 acres of its best farmland to non-agricultural uses each year. How can we justify taking our good farmland for a water project which has yet to be shown as having any economic benefits?

The loss of our good agricultural land will do severe damage to the existing family farm economy in our area. As I mentioned before, the good bottom-lands are the lifeblood of the small family farm. Without them, the people will have to stop farming. For some that will mean leaving the area or turning to welfare. For us, this would be particularly tragic because Washington County's family farm economy is not only stable but is improving. In 1978, we had more family farms than four years before. At a time when there is growing concern about the decline and disappearance of the family farm, we feel that Campground Lake would be a serious mistake. The displacement of over 100 farm families could only lead to greater property taxes and an increased burden on existing social programs.

Flood control was considered a major benefit in the original Corps plan for Campground Lake. Since the authorization of the project in 1974, these flood control benefits have been reduced by over one-half. There is little development on the flood plain below the dam site. There are small communities with populations between 500 and 1,500 which would supposedly be protected by Campground Lake. But the flooding suffered by these communities comes from small tributaries and backwater and the dam would not provide any protection from this sort of flooding. These communities would be better protected, at less cost, by local protection projects such as flood walls and levees and by participation in the flood insurance program.

Recreation was also a major benefit of the original plan for Campground Lake. But since then, the Commonwealth of Kentucky has indicated that they are unwilling to cost share on recreation. As we stated in last year's testimony, the Louisville District of the Corps received a letter from Lou Karibo, Commissioner of Kentucky's Department of Parks, in November, 1980, recommending that Campground Lake remain inactive or be deauthorized. (see attached letter) Taylorsville Lake, located less than 20 miles from the proposed site of Campground Dam, was built for recreational purposes and has yet to be developed for such purposes. The Commonwealth is having a difficult time financing the development of the recreational potential of Taylorsville and has even suggested turning to private sources for such development. (see attached article) We think any money intended for recreational development of Campground Lake would be better spent on building recreational facilities at the Taylorsville Lake.

Water supply is now listed as a major benefit of Campground Lake, although in the original plan only 6% of the benefits were for water supply. In order for Campground Lake to be feasible, the Corps must have commitments from potential users for 177 million gallons per day (MGD) of water supply storage space. There are no solid commitments for any of this water. And, as we reported last year, the Commonwealth of Kentucky has withdrawn its previous commitment for 10 million gallons per day, when Jackie Swigart, Secretary of Kentucky's Department of Natural Resources informed the Corps that "improvements in the raw water system of Bardstown and Lebanon, the presence of Willisburg Lake, the proximity of the Taylorsville project, and the current financial situation of the Commonwealth appear to preclude the participation in the water supply storage aspects of the proposed project." (see attached letter)

In their 1981 Estimated Phase I Work Effort Summary, the Corps stated, "If at anytime it becomes clear that there is not a nonfederal sponsor for water supply and the project economic studies continue to show that the project is economically infeasible without water supply, studies will be terminated." (see attached sheet)

Those who support the Campground Lake project claim that it will bring economic development to our area. But so far, it has only been a deterrent to economic development. People who support the dam and think it will be the solution to all our economic problems do not bother to examine alternatives which would be less expensive and make better use of our existing resources. Those who are afraid that the dam will take their property are reluctant to keep up their homes and their land for fear they will lose their investment. As people buy land to speculate on the dam, it becomes idle and useless to our farmers who need more cropland. We need economic development which enhances our farm economy and allows people to stay on the land.

In conclusion, we of the Beech Fork Preservation Association ask that this committee deny any further funding requests for Campground Lake for FY83 or any other future year. We further request that this project be carefully examined as a potential candidate for deauthorization. Let our members have peace of mind and forget about the possibility of someone coming to tell us they are going to cover our homes, farms, churches and cemeteries with water. We feel we have enough lakes in Kentucky. We do not need Campground Lake.

LETTER FROM LOU KARIBO, COMMISSIONER, KENTUCKY STATE DEPARTMENT OF PARKS

November
24
1980

C. E. Eastburn
Colonel, Corps of Engineers
District Engineer
Department of the Army
Louisville District Corps of Engineers
P. O. Box 59
Louisville, Kentucky 40201

Dear Colonel Eastburn:

In response to your letter of November 12, the Department of Parks does not foresee the need for recreational development in association with Campground Lake. We already are planning such development at Taylorsville, which is in the immediate vicinity, and we continue to have very serious difficulties with the provisions of the Federal Water Project Recreation Act (P.L. 89-72). Under the terms of P.L. 89-72, we have very little control over what is built or its cost, and following Judge Allen's ruling, we cannot finance P.L. 89-72 projects over a long term without violating both the Kentucky Constitution and 42 U.S.C. Sec. 1962 (d)-5b. Finally, the Commonwealth's difficult financial position makes it impossible to proceed at this time with a project having the magnitude of the proposed Campground Lake development.

Unless the Department for Natural Resources and Environmental Protection determines that the need for water supply storage is enough for the project to proceed, we would recommend that it either remain on your inactive list or be deauthorized.

We appreciate the continued cooperation and assistance of your staff and recognize the Corps of Engineers' contribution to the State.

Sincerely,

Lou Karibo, Commissioner
Department of Parks

[From the Courier-Journal, Wednesday, February 10, 1982]

STATE IS HOPING TO SELL CORPS ON PRIVATE DEVELOPMENT AT LAKE

By AL CROSS

Courier-Journal Staff Writer

FRANKFORT, Ky. — Taylorsville Lake will be developed like no other Army Corps of Engineers lake in Kentucky — if the corps goes along with a state official's plan.

The state Parks Department, which has spent millions of dollars on recreational development at other lakes built by the corps, isn't obligated to pay for similar development at Taylorsville Lake.

But state officials feel recreational development is mandatory if the lake is to attract the million visitors a year expected by the corps, so they want private developers to do the job.

The committee that will pick the developers, and decide what kind of projects they will have, met for the first time yesterday in Frankfort.

The committee was appointed by Deputy Commerce Secretary Gene Smith, whose Cabinet includes the Parks Department.

Smith conceded that the committee's work will be rushed, because the lake will begin flooding the Salt River Valley in Spencer, Nelson and Anderson counties early next year.

He said several developers have already approached the state about building marinas and lodging, "and some of them are pretty sophisticated."

Stuart Kelly, Spencer County Democratic chairman and a member of the committee, said one developer has an option on a 255-acre tract near the lake for a golf course, a small motel, a camping area and residential development.

"There's a great financial opportunity for an entrepreneur," Smith said. "I'd like to give away all the income from Taylorsville Lake to the private sector and let them pick up the expense.

"But somewhere there's going to have to be a middle ground. ... We will have to come up with some of the seed money for utilities."

Smith wants the seed money to come from economic-development bonds that would be paid off by leasing land to private developers. The state would buy the land from the corps at half the price the corps paid landowners.

But the state shouldn't put all its eggs in one basket, said state Rep. Frank Smith, D-Shepherdsville, whose district includes Spencer County.

Smith, no relation to the deputy commerce secretary, told his fellow committee members the lease revenue might not be enough to pay off the bonds and the state should be able to step in if developers don't want to build certain needed facilities.

Smith said he will ask the General Assembly to include an appropriation for work at the lake in the 1982-84 state budget.

Gene Smith said that might be difficult in light of the state budget crunch, adding, "We can get all the money we need with economic-development bonds."

But he said there was no way the state could justify enough bonds to do all the work outlined in the corps' master plan for the lake.

The state Parks Department had asked for $9.9 million in the budget for work at Taylorsville, but Gene Smith said he deleted that request — not in favor of the bonding route, but because of the budget crunch.

Whatever form the state's contribution takes, all the money it spends for recreational facilities is expected to be matched by the corps.

The state signed a long-term cost-sharing agreement with the corps in 1973, but such agreements were declared unconstitutional during a legal battle over the construction of Taylorsville Lake.

The state's only obligation now is to spend $843,000 on a boat ramp and adjacent facilities at the lake.

As a result, "We have more of a free hand in how we go about things at this lake than we normally do," Gene Smith said.

But that hand may be tied by the corps, which would have to change its master plan if Smith's scenario is to be played out.

"The big argument will be to move the corps off this plan," Smith said. "I think everybody realizes the corps' plan is impractical. ... It's almost like Disneyland East."

For example, Smith said the sewage-treatment system proposed for the lake is too expensive.

He suggested installing a self-contained "package" treatment plant, instead of building a large plant that would pump treated sewage four miles over rough terrain to Salt River, below the water intake for the city of Taylorsville.

Col. Charles E. Eastburn, commander of the Louisville district of the corps, was unable to attend the meeting because of a scheduling conflict, said Tom Grissom, director of special projects for the Commerce Cabinet.

Grissom, who is serving as a one-man staff to the committee, dealt with the corps in his last job, as director of the Division of Water in the state Department for Natural Resources and Environmental Pro-

"We're going to have to have better cooperation than we've ever had with the corps," Grissom said. "I just know we're going to go through a long period of give-and-take with them."

Gene Smith said the plan doesn't include some developments that could be successful — such as a marina at one end of the lake, near Van Buren, and possibly some small marinas at other boat ramps.

Grissom said part of the land for private development could come from a tract — which he called "primo real estate" — originally slated to be a county park.

Spencer County Attorney Robert Coots and Kelly agreed that Spencer County "doesn't need to be in the park business," and Coots said he would ask Fiscal Court to pass a resolution saying that the county doesn't intend to develop the park.

Coots and Kelly said they were concerned that the developers might escape local taxation because they would be operating on state-owned property. If the developers aren't subject to local taxes, Coots said, the county wants them to make payments in lieu of taxes.

He said the money is needed to strengthen the county's police, fire and ambulance services, which are expected to be strained by the influx of people.

Smith said the committee would probably hear proposals from developers at its third meeting, as yet unscheduled. The second meeting is scheduled for Feb. 23.

Smith said the panel was created "to ensure that the public gets the best possible facilities with the least government money" and to "remove political considerations."

But four members of the committee are Democratic politicians: Frank Smith; Coots; Kelly, who is also sergeant-at-arms of the state House of Representatives; and Sen. Ed O'Daniel, D-Springfield, whose district includes Anderson and Nelson counties.

Smith said Kelly was appointed because he helped lead the campaign to build the lake, and the other politicians were named to the panel because they are public officials representing residents of the area.

Other members of the committee are state Fish and Wildlife Commissioner Carl Kays, state Parks Commissioner Lou Karibo, Louisville construction executives Bernie Dalham and Joel Fields, and Lexington banker C. Thomas Murrell III.

Dalham, Karibo and O'Daniel did not attend yesterday's meeting.

LETTER FROM JACKIE SWIGART, SECRETARY, KENTUCKY DEPARTMENT FOR NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

December 23, 1980

Colonel C. E. Eastburn
District Engineer, Louisville
U. S. Army Corps of Engineers
P. O. Box 59
Louisville, Kentucky 40201

Reference: Camp Ground Lake

Dear Colonel Eastburn:

This letter is in response to your request of November 12, 1980, for clarification of the Commonwealth's position with regard to the need for water supply storage space in Camp Ground Lake and the willingness of the Commonwealth to assume the costs of same.

It is our understanding that the Corps is still in the process of finalizing the Phase I General Design Memorandum and the Stage I reconnaissance report for Camp Ground Lake. Prior to formulating a final Commonwealth position with regard to water supply needs and cost assumption for this project, the Department would prefer to first review this information, when available, and establish a position on the basis of the latest available data and with regard to all relevant issues.

Based on our current information concerning this project, we have determined that a substantial amount of water supply is not currently in demand in the vicinity of the proposed reservoir, nor is there a likelihood of a 10.0 mgd areal demand in the foreseeable future. Recent improvements in the raw water systems of Bardstown and Lebanon, the presence of Willisburg Lake, the proximity of the Taylorsville project, and the current financial situation of the Commonwealth appear to preclude participation in the water supply storage aspects of the proposed project, based on currently available information. The Department of Parks' recent declination of participation in the recreation aspects further reduces Camp Ground Lake's ability to serve as a "multi-purpose" project.

Thus, based on current information, we would not anticipate Commonwealth participation in the water supply aspects of the Camp Ground Lake project. However, pending receipt and review of the Phase I General Design Memorandum and the Stage I reconnaissance report, the Department will delay making a final determination.

Thank you for the opportunity to respond to this subject. We look forward to continued communication and coordination with you and your office.

Sincerely,

Jackie Swigart
Secretary

Camp Grour. Lake, Kentucky

Item	FY 1981
Recreation Studies	$ 10,000
Hydropower	116,000
Cultural Studies	10,000
U.S. Fish & Wildlife Service Coordination	5,000
Coordination with Agencies & Reports	19,000
Economic Studies & Study Management	50,000
Hydrology & Hydraulic Studies	45,000
Environmental Studies	55,000
TOTAL	$300,000

7. Change in Scope or Cost During Past Year. During 1979 the Louisville Water Company indicated interest in water supply for the City of Louisville. The change in cost for the Phase I study from $450,000 to $1,395,000 is the result of changes in the study process. As a result of Water Resource Council's Principles & Standards procedures, required environmental and cultural studies to address existing laws, cost of detailed mapping and necessary coordination efforts has resulted in the higher estimate for the Phase I studies.

8. Other Ongoing Studies in the Area. The Louisville Water Company is currently seeking alternative water supply sources for the City of Louisville other than directly from the Ohio River. It is the District's understanding that the U.S. Geological Survey is investigating aquifers near the Ohio River as an alternate water supply source. As Phase I planning continues, efforts to firm up the Louisville Water Company's position on the water supply storage from Camp Ground Lake will continue. [redacted] not a nonfederal sponsor for water supply and the [redacted] is economically infeasible without water supply, [redacted]

9. Other Pertinent Information. Urban communities subject to inundation by floods on the Beech Fork are Lebanon Junction, Colesburg, Boston, and Fredericktown.

Nelson and Washington Counties, in which the project is located, are classified as redevelopment areas under the Public Works and Economic Development Act of 1965 (PL89-136).

Information concerning value of properties and flood damages for the maximum flood of record with the proposed project to be determined during the Phase I studies.

ADDITIONAL PREPARED STATEMENTS

Senator SASSER. I am informed that the subcommittee has received several other statements in opposition to Kentucky projects, one from the Kentucky Rivers Coalition and a statement from the Upper West Fork Association. Those will go in the record at this point.

[The statements follow:]

STATEMENT OF KENTUCKY RIVERS COALITION

THE KENTUCKY RIVERS COALITION PRESENTS THIS WRITTEN STATEMENT IN LIEU OF A PERSONAL APPREARENCE BEFORE THE COMMITTEE. WE THANK THE COMMITTEE FOR THE TIME EXTENDED TO US FOR PERSONAL TESTIMONY AND WE HAVE CHOSEN TO ALLOW DELEGATES FROM TWO OF OUR MEMBER GROUPS, THE BEECH FORK PRESERVATION ASSOCIATION AND THE YATESVILLE RESISTANCE ORGANIZATION TO SPEAK DIRECTLY FOR THEIR NEIGHBORS.

KENTUCKY RIVERS COALITION REPRESENTS THE INTERESTS OF 17 MEMBER AFFILIATES WHO ARE THEMSELVES LANDOWNER, CIVIC AND RECREATIONAL GROUPS CONCERNED WITH THE PROPER UTILIZATION OF KENTUCKY'S NATURAL RESOURCES FOR THE BENEFIT OF KENTUCKIANS. 700 INDIVIDUALS HOLD MEMBERSHIPS IN THE COALITION.

GNERAL COMMENTS

WATER RESOURCES POLICIES AND ISSUES ARE UNDERGOING FUNDAMENTAL CHANGE IN THESE YEARS OF THE REAGAN ADMINISTRATION. SOME OF THESE CHANGES FOLLOW THE HISTORICAL COUSE SET BY THOSE LIKE MR. H.W. BATTE, A FARMER FROM ROBERTSON COUNTY, KENTUCKY, WHO HAVE ARGUED FOR FISCAL RESTRAINT AND SOUND ECONOMIC PLANNING IN FORMULATING WATER PROJECTS. IN OTHER AREAS WE ARE BEGINNING TO WITNESS UNCALLED FOR CHANGES IN THE PROGRESS OF WATER RESOURCES REFORM AND THE ESSENTIAL FUNCTION OF FEDERAL RESPONSIBILITIES.

MR. BATTE, WHO IS THE CHAIR OF THE KENTUCKY RIVERS COLAITION, HAS APPEARED BEFORE THESE APPROPRIATIONS COMMITTEES MORE THAN A DOZEN TIMES IN MORE THAN A DOZEN YEARS TO ARGUE AGAINST THE UNSOUND ECONOMIC REASONING USED BY THE ARMY CORPS OF ENGINEERS TO PROMOTE WATER PROJECTS SUCH AS THE FALMOUTH DAM WHICH WOULD DESTROY THE LICKING VALLEY OF KENTUCKY. HE HAS BEEN SUCCESSFUL BECAUSE CONGRESS HAS NOT FUNDED THE PROJECT FOR CONSTRUCTION, THE CORPS HAS CLASSIFIED IT AS INACTIVE AND THE KENTUCKY STATE SENATE HAS REQUESTED IT BE DEAUTHORIZED. CONGRESSES ACTION LAST YEAR TO DEAUTHORIZE A NUMBER OF UNNEEDED, UNWANTED, AND WASTEFUL WATER PROJECTS WAS THE FIRST STEP IN THE RIGHT DIRECTION.

HOWEVER, FALMOUTH DAM WAS NOT INCLUDED IN THE BILL DESPITE THE EXPRESS DESIRE OF THE KENTUCKY SENATE. AND WE WITNESSED AN ATTEMPT TO CANCEL THE PRINCIPLES & STANDARDS WHICH GOVERN ECONOMIC ACCOUNTABILITY OF THE CORPS OF ENGINEERS TO THE CONGRESS, THE COURTS AND THE AMEERICAN PEOPLE. IT IS UNFATHOMABLE TO US WHY ANY ADMINISTRATION WHICH IS CONCERNED WITH ELIMINATING WASTE IN THE FEDERAL GOVERNMENT WOULD ELIMINATE A SET OF RULES WHICH HAVE EVOLVED THROUGH TWO DECADES OF CITIZEN PROTEST THAT REQUIRE A FULL AND COMPLETE ECONOMIC ACCOUNTING OF THE PROJECTS TO BE UNDERTAKEN BY THE ARMY CORPS OF ENGINEERS.

LATELY WE HAVE HEARD RUMBLINGS THAT THE REAGAN ADMINISTRATION WILL PROPOSE THE ELIMINATION OF FEDERAL BACKING OF THE NATIONAL FLOOD INSURANCE PROGRAM. ELIMINATION OF THE FEDERAL SUBSIDY FOR FLOOD INSURANCE, WHICH COSTS APPROXIMATELY $200-400 MILLION PER YEAR, WILL BE A STAGGERING SETBACK TO A FULL AND BALANCED FEDERAL ROLE TO ASSIST FLOOD PRONE COMMUNITIES. WITHOUT THIS RELATIVELY MINOR EXPENDITURE AS WEIGHED AGAINST THE NATIONAL SIGNIFICANCE OF THE PROGRAM, MOST FAMILIES - PARTICULARLY IN EASTERN KENTUCKY AND THROUGHOUT APPALACHIA - WILL NOT BE ABLE TO AFFORD FLOOD INSURANCE.

FLOOD INSURANCE IS NOT ONLY PROTECTION AGAINST RISK BUT IT HAS THE TEETH IN IT TO LIMIT UNWISE DEVELOPMENT IN RIVERINE FLOODPLAINS. IT IS NOT AN INFLEXIBLE PROGRAM IN THIS REGARD BUT ONE THAT IS ADMINISTERED AT THE LOCAL LEVEL. THIS IS THE KIND OF PROGRAM THAT MIXES WELL THE POWER OF THE FEDERAL GOVERNMENT AND THE POWER OF THE LOCAL GOVERNMENTS OF THE NATION. WE SUPPORT THE NATIONAL FLOOD INSURANCE PROGRAM AND HOPE THE CONGRESS WILL CONTINUE TO DO SO AS WELL.

TUG & LEVISA FORKS OF THE BIG SANDY
and
UPPER CUMBERLAND RIVERS

Section 202 OF THE WATER AND POWER APPROPRIATIONS ACT OF 1982 IS UNIQUE FLOOD CONTROL LEGISLATION CREATED FOR AN AREA OF THE UNITED STATES WHOSE CHRONIC FLOODPRONE CONDITION CANNOT BE ADDRESSED IN ANY OTHER WAY. THE CRITICAL NATURE OF FLOODING IN THESE TIGHTLY FORMED MOUNTAIN VALLIES HAS CREATED A MANDATE FOR MEASURES THAT GO BEYOND THE NORM FOR TRADITIONAL CORPS OF ENGINEERS PROJECT JUSTIFICATIONS. PIECEMEAL ATTEMPTS TO CONTROL FLOODING, REGULATORY DEFINITIONS OF FEDERAL INVOLVEMENT, AND A HISTORY FRAGILE ECONOMIC STABILITY HAVE ALWAYS WON OUT OVER THE ABILITIES OF ANY PREVIOUS APPROACH TO MITIGATING FLOODS AND THEIR ENORMOUS PERSONAL AND ECONOMIC IMPACT IN THIS REGION. IT IS TIME TO TRY FEDERAL SUPPORT TO THE BEST SOLUTION FOR THIS REGIONAL PROBLEM OF PARAMOUNT PROPORTIONS. APPLYING NATIONAL NORMS SIMPLY WILL MISS APPROPRIATE AND COST EFFECTIVE SOLUTIONS IN THESE POPULATED RIVER VALLIES.

WE MUST TAKE ISSUE WITH THE SUPPOSITION MADE BY THE ADMINISTRATION THAT THE PEOPLE IN THESE FLOOD RAVAGED COMMUNITIES MAY NOT FIND IT AESTHETICALLY ACCEPTABLE TO LIVE NEXT TO FLOODWALLS. HIGH WALLS OF CONCRETE ARE AN ENTIRELY ACCEPTABLE REALITY WHEN THE ALTERNATIVE IS UNEXPECTED HIGH WALLS OF WATER POURING THROUGH THE STREETS ENDANGERING LIFE AND PROPERTY TO AN UNUSUALLY SEVERE DEGREE.

WE MUST TAKE ISSUE WITH THE ADDMINISTRATION'S BELIEF THAT NON-STRUCTURAL PROGRAMS REQUIRE FORCED RELOCATION OF CITIZENS IN THESE RIVER VALLEYS. THE CORPS HAS GONE TO GREAT LENGTHS TO EXPLAIN THIS IS A VOLUNTARY RELOCATION PROGRAM.

WHAT MUST BE ADMITTED IN THE HARD AND FAST REALITIES OF THE SITUATION IS THAT THERE WILL BE LONG STRETCHES OF THESE VALLEYS WHICH CANNOT BE PROTECTED BY FLOODS. THE ONLY JUST AND FAIR WAY TO ASSIST THESE LOCALES IS WITH A PROGRAM TO ASSIST THOSE WHO WISH TO ASSIST THEMSELVES OUT OF THESE FLOODPLAINS. A FURTHER ADVANTAGE TO THE PROGRAM WILL BE THE DEVELOPMENT LIMITATIONS PLACED ON THESE PROPERTIES SO THAT NO ONE ELSE WILL HAVE TO BEAR THE BRUNT OF FLOOD"S DISPAIR.

WE WOULD ARGUE FOR THE POLICY DETERMINATION THAT THE PROJECTS DEPICTED IN SECTION 202 ARE A JUSTIFIED FEDERAL EXPENDITURE. THE NORMAL NATIONAL CRITERIA HAVE FAILED TO BRING TO THIS REGION THE KINDS OF PROJECTS THAT ARE REASONABLE, EFFECTIVE AND PUBLICLY WANTED. IT IS TIME TO MOVE TOWARDS WHAT IS EFFECTIVE FOR IN THE LONG RUN - OR PERHAPS IN THE SHORT RUN IF THE FLOODS ARE AS FREQUENT AS RECENT HISTORY SEEMS TO INDICATE - IT WILL BE CHEAPER FOR THE FEDERAL GOVERNMENT. IT WILL BE BETTER FOR THE PEOPLE OF THE REGION IN THEIR HOPES FOR PROSPERITY AND THE CONTINUANCE OF THEIR PROSTERITY.

WE BELIEVE LOCAL PEOPLE IN THE HUNDREDS AND THOUSANDS STAND READY TO SUPPORT BOTH THE SPECIFIC PROJECTS AND THE PATTERN OF PROTECTION FOR THE FULL BASIN WIDE FLOOD MITIGATION EFFORT. CERTAINLY MORE PLANNING AND STUDY ARE NEEDED: HOWEVER, MANY LOCAL PEOPLE HAVE GROWN WEARY OF MORE STUDY WITHOUT CONCRETE ACTION. WE SUPPORT ACTIVE CONSTRUCTION EFFORTS TO BEGIN ON THOSE PORTIONS OF THE 202 PROGRAM THAT HAVE HAD CITIZEN INPUT AND ARE BY AND LARGE READY TO GO. THE WHOLE PLAN: HOWEVER, MUST BE MOVED FORWARD. THE IDEA OF ANOTHER PIECEMEAL FEDERAL APPROACH WILL BE INEFFECTIVE AND THE END INTOLERABLE.

YATESVILLE LAKE

SINCE 1976 THE KENTUCKY RIVERS COALITION HAS STOOD IN OPPOSITION TO THE PROPOSED YATESVILLE LAKE PROJECT WHICH WOULD BE LOCATED WITHIN THE BIG SANDY BASIN OF KENTUCKY. WE HAVE BEEN JOINED IN THAT POSITION BY PRESIDENTS JIMMY CARTER AND RONALD REAGAN.

THIS PROJECT SIMPLY CANNOT BE CONSIDERED A FLOOD CONTROL PROJECT. THE ADMINISTRATION HAS IDENTIFIED THE GLARING FACT THAT THIS PROJECT IS TO REDUCE FLOODS AT THE NEAREST DOWNSTREAM COMMUNITIES BY AT MOST 2 INCHES.

THAT STATEMENT, HOWEVER, HARDLY EXPRESSES THE FULL UNDERSTANDING OF HOW POOR A FLOOD PROTECTION PERFORMER YATESVILLE DAM WOULD NECESSARILY BE. TWO MONUMENTALLY DEVASTATING FLOODS OCCURRED IN THE BIG SANDY VALLEY - THE SAME VALLEY SUBJECT TO THE SECTION 202 PROJECTS SUPPORTED IN THE PREVIOUS SECTION OF THIS TESTIMONY - IN 1977 AND 1978. HAD YATESVILLE DAM BEEN CONSTRUCTED AND IN

OPERATION AT THOSE TIMES IT WOULD NOT HAVE SAVED THE FIRST HOME OR THE FISRT DOLLAR'S WORTH OF FLOOD LOSS TO ANY CITIZEN OF THE BIG SANDY VALLEY!

THIS PROJECT IS NOW SCHEDULED TO COST $96 MILLION. THIS IS AN UTTERLY APPALLING AMOUNT OF MONEY TO THROW AT A WATER PROJECT THAT HAS ABSOLUTELY NO FLOOD CONTROL CAPABILITY.

WE DISAGREE WITH THE ADMINISTRATION THAT THERE MAY BE ANOTHER SUITABLE WAY TO JUSTIFY THIS PROJECT. RECREATION BENEFITS ARE ALREADY SUBSTANTIALLY LESS THAN THE COSTS THAT WOULD HAVE TO BE PAID TO BUILD THIS PROJECT. THERE ARE SEVEN RECREATIONAL LAKES WITHIN FIFTY MILES OF THE PROPOSED YATESVILLE LAKE. THE STATE OF KENTUCKY CANNOT JUSTIFY ITS OWN LIMITED RECREATIONAL COMMITMENTS FOR THIS PROJECT. MOREOVER, THE EXISTING COST-SHARING CONTRACT FOR RECREATION IS ILLEGAL UNDER KENTUCKY LAW - A FACT THE CORPS REFUSES TO ADMIT. ON THIS PARTICULAR MATTER WE URGE THIS COMMITTEE TO REQUIRE THE CORPS TO FULLY EXPLAIN HOW IT CAN DECLARE A CONTRACT TO BE LEGAL IN ONE PART OF KENTUCKY WHEN A FEDERAL COURT RULED THAT AN IDENTICAL CONTRACT IN ANOTHER PART OF KENTUCKY WAS VOID UNDER KENTUCKY LAW.

SOUND ECONOMIC REASONING SUPPORTS RESALE OF THE GOVERNMENT ACQUIRED LAND FOR THE PROJECT, 13,000 ACRES, TO THE PUBLIC AS THE SPEEDIEST MEANS TO SPUR ECONOMIC REDEVELOPMENT IN THE AREA. WE BELIEVE, FURTHER, THAT NOT ONLY IS THIS THE NEXT APPROPRIATE STEP FOR THE FEDERAL GOVERNMENT TO TAKE ON THE YATESVILLE LAKE PROJECT, BUT THAT IT IS OBLIGATORY FOR THESE LANDS TO BE OFFERED TO THE ORIGINAL LANDOWNERS OR THEIR HEIRS ON A FIRST REFUSAL BASIS. WE URGE YOU TO BEGIN THIS YEAR THE PROCESS TO RETRUN THIS AREA FOR USE BY SMALL FARMERS,

CAMPGROUND LAKE

WE ARE PLEASED TO SEE THERE ARE NO FUNDS REQUESTED FOR THE AUTHORIZED CAMPGROUND RESERVOIR FOR FY 1983. WE ARE, HOWEVER, CONCERNED THAT THE STATUS OF THIS PROJECT IS NOT CHANGED BY THE OMISSION OF FUNDING FOR THIS YEAR. THE ARMY CORPS OF ENGINEERS PLANS TO FINISH A "DRAFT" OF THE PROJECT'S GENERAL DESIGN MEMORANDUM IN JULY, 1982 AND A FINAL VERSION BY MAY, 1983.

THESE PLANS CONTINUE IN THEIR SLOW BUT PERPETUAL MOTION IN SPITE OF A HISTORY WHICH OVER THE YEARS CONTINUES TO TURN UP UNFAVORABLE ECONOMIC SUPPORT FOR THE PROJECT. THIS SO-CALLED STUDY EFFORT BY THE CORPS IS STARTING TO LOOK ENTIRELY SIMILIAR TO THE ILL-FATED FALMOUTH DAM PROJECT. FALMOUTH WAS A PROJECT IN WHICH THE CORPS OF ENGINEERS SPENT OVER $1 MILLION FOR STUDIES WHICH NEVER ONCE ANSWERED THE QUESTION WHETHER THE PROJECT WAS ECONOMICALLY JUSTIFIED. WE SUGGEST A DISCONTINUANCE OF FURTHER EXPENDITURES ON STUDIES FOR CAMPGROUND IS NEEDED TO CONCLUDE THIS OBVIOUSLY MARGINAL PROJECT.

IT IS QUITE STRANGE FOR THE CORPS ON THE ONE HAND TO CONTINUE ITS STUDIES BY ACCEPTING A TOKEN LETTER FROM THE LOUISVILLE WATER COMPANY OF ITS POSSIBLE BUT REMOTE INTEREST IN PART OF THE WATER SUPPLY STORAGE WHILE IT DISMISSES IN ITS PLANNING MANDATE RATHER STRONG DENIALS OF ANY INTEREST IN THE PROJECT'S RECREATION PURPOSE BY THE KENTUCKY DEPARTMENT OF PARKS.

CONTINUED PLANNING FOR THIS MASSIVE AND CLEARLY INAPPROPRIATELY SCALED WATER PROJECT IS ALSO A HINDERENCE TO LOCAL COMMUNITIES TO TAKE ACTION ON THEIR OWN TO REMEDY LOCAL FLOODING AND WATER SUPPLY RESPONSIBILITIES.

WE URGE YOU TO CONSIDER REQUESTING THE CORPS TO DECLARE THIS PROJECT "INACTIVE".

STATEMENT OF JOSEPH GRANT, MEMBER, BOARD OF DIRECTORS, UPPER WEST FORK RIVER WATERSHED ASSOCIATION

My name is Joseph Grant. I am a member of the Board of Directors of the Upper West Fork River Watershed Association, a 1600 member organization in Lewis County, West Virginia, which stands opposed to the Army Corps of Engineers' proposed Stonewall Jackson Dam Project. While the Corps continues to acquire land for the project, opposition to this water quality-recreation dam grows throughout West Virginia and beyond. The State Senator based in Lewis County and the West Virginia House of Delegate member from the county both oppose the project; and in 1981 a majority of the members of the West Virginia Senate passed a resolution expressing that body's unwillingness to appropriate the necessary state funds for cost sharing on the proposed recreation development at Stonewall.

Last fall the House Subcommittee on Environment, Energy and Natural Resources began an investigation of this $200 million, 20,000-acre project and a hearing was held on December 9, 1981. In his opening statement Congressman Toby Moffett (D-Conn) stated, "...(T)his project, which is being built to solve the flooding problems of Weston and Clarksburg is an uneconomical project which would never have been built without the inclusion of water quality benefits which have little basis in fact. Today, the main purpose of this project is not flood control, but what is known as 'pollution dilution'...The use of that antiquated method as a substitute for point source pollution control was outlawed by the 1972 Federal Water Pollution Control Act, six years before one acre of land was purchased to build this project. That fact alone deprives the Stonewall Jackson Project of whatever economic and common sense justification it may have enjoyed when originally authorized."

In his opening statement, ranking minority member Joel Deckard (R-Ind) stated, "I can only look with dismay at a project which seemingly has few, if any, redeeming qualities---costing nearly 200 million dollars---but yet which remains, as do so many other public works projects, sacrosanct."

At the request of the subcommittee, the General Accounting Office did an analysis of the project's purported benefits. Leaving aside the water quality control benefit catagory (fully 50% of the project's benefits), the legality of which is being challenged in a federal court suit, GAO had major criticism of the Corps' methods of calculation which, GAO maintains (as do we), serve to exaggerate the project's value.

This is what GAO found:

(1) RECREATION The Corps based its per capita use estimates on 1964-69 data on a California and Kansas dam, and has not updated estimates to reflect the fact that attendance has dropped by half at the California reservoir. The corps increased benefits by redefining the market area (75-mile radius); assuming population growth which has not occurred; and by increasing the per day value of a recreational visit to the maximum allowable, $1.50, even though the average value used for 21 projects underway at about the same time as Stonewall is 85 cents.

(2) FLOOD CONTROL Flood control benefits are based on a 1963 flood damage survey which was not based on actual flood damage, but only on estimates. To update data the Corps uses a construction cost index which is based on the cost of labor, structural steel, cement and lumber, when the damages incurred in Weston and Clarksburg flooding is to household and building contents, lost wages and cleanup costs. The Corps flood damage

estimates have risen while population in the flooded areas has declined, 30% in Weston and 20% in Clarksburg.

(3) WATER SUPPLY Weston has signed no contract to buy water from the reservoir and the water company advised GAO that supplies are adequate for the foreseeable future. (Clarksburg is not buying water either.)

(4) AREA REDEVELOPMENT (Wages and salaries paid employees from the local area who help construct, operate and maintain the project and who would otherwise be unemployed or underemployed) 25% of these benefits have already been realized, but in calculating the remaining benefits, the full benefit was claimed.

(5) COST/BENEFIT RATIO The corps is calculating the cost/benefit ratio by using remaining costs and remaining benefits, rather than the total costs and benefits. This makes the project look better and better, as most of the benefits accrue after the project is built and thus stay the same, while the Corps deducts the amount already spent from the cost side of the ratio. While the Corps reports a remaining cost/benefit ratio of 1.53 to 1, the total cost/total benefit ratio is 1.07 to 1.

(6) INTEREST RATE The Corps uses the unrealistic 4 5/8% interest rate. At the present interest rate of 7 3/8% the remaining cost/remaining benefit ratio is 1.2 to 1, and the total cost/total benefit ratio is .85 to 1.

GAO did not scrutinize the project costs, due to lack of time, but reported that the productivity of the land before it is purchased for the project is not included as a project cost.

We submit to this committee that the information uncovered by the General Accounting Office is reason enough to reevaluate the Stonewall Jackson Dam Project and to cease further funding until the Corps corrects its calculation errors and gives a true report of the merits of this project.

Political support for Stonewall in West Virginia is waning. The statement by the West Virginia Senate calls into question the very basis on which the project has proceeded; that is, that the state legislature of West Virginia will appropriate the millions of dollars for its share of the recreation development.

The West Virginia congressional delegation is also changing. The major promoter of Stonewall in Congress, 1st district Representative Robert Mollohan, is retiring this year and may well be replaced by an anti-dam congressman. Redistricting has placed Lewis County in the third congressional district, a district which contains no counties downstream of Lewis, which can claim benefits, real or (more likely) imagined, from Stonewall; thus a third district congressman will look at the project in isolation; and when he or she does so will be reminded of the 3 Corps of Engineers' dams which already exist in the third district (Burnsville, Summersville, and Sutton), which have brought negative impacts to the counties in which they are located.

The Stonewall Jackson Dam Project is an idea whose time has long passed, if it ever existed. We believe that the citizens and the government representatives of West Virginia are beginning to see this clearly. Certainly the General Accounting Office, the investigative arm of this congress, would apparently agree.

In these times of budget cutting, in these times of terrible inflation, unemployment and high interest rates, in these times when so many Americans are shouldering terrible burdens because of lack of government funds, this project, we submit, should be dropped and could be dropped painlessly. The land already purchased by the Federal Government can be sold back to the landowners and the money already invested be recouped. We urge this subcommittee, as we have done so many times in the past, to stop funding the Stonewall Jackson Dam Project and to allow the people of Lewis County to solve their problems locally; and, indeed, to pick up the pieces left us by the Corps of Engineers and to give back to us control of our land, our mineral resources and our future.

STATEMENT OF JOSEPH LEMA, VICE PRESIDENT FOR TRANSPORTATION, NATIONAL COAL ASSOCIATION

Senator SASSER. We will hear now from the National Coal Association, Mr. Joseph Lema.

Mr. Lema, we welcome you before the committee this afternoon and look forward to your comments.

Mr. LEMA. Thank you, Mr. Chairman.

The National Coal Association appreciates the opportunity to appear before you.

My name is Joseph E. Lema. I am vice president for transportation of NCA. I am appearing today primarily to discuss the coal industry's views on the need for action to speed critical inland waterways improvements.

The present 5-year lapse in replacements of undersized lock structures at certain lock and dam installations has caused significant traffic congestion. The delays of the inland waterways improvements are costly and diminish the opportunity to make full use of otherwise efficient and otherwise reliable waterways transportation. Stalled towboats, barges, crews, and coal shipments waiting for lockage result on the order of $5,000 per waiting day, and when traffic is heavy, the wait for towboats is 3, 5, and as much as 7 days.

The stagnation in authorization and funding now characterized by the 5-year hiatus in action on inland waterways improvement legislation should be halted.

Our request today is that Congress act now to authorize and fund critical inland waterways projects. Improvements are required at several waterways projects.

INLAND WATERWAY NAVIGATION IMPROVEMENTS

Improvements are required at several locks and dams, including but not limited to Gallipolis on the Ohio River, Winfield on the Kanawha River, Gray's Landing and Point Marion—locks and dams Nos. 7 and 8—on the Monongahela River, and Oliver on the Warrior River; plus the addition of a second lock chamber at lock and dam No. 26 near Alton, Ill., on the Mississippi River.

We believe the inland waterways trust fund should be utilized expeditiously for such critical navigation projects.

Mr. Chairman, NCA has considered recommendations advanced by the administration recently on the implementation of a cost recovery program for the inland waterways system. Our position with regard to the recommendations is that we oppose the concept of full recovery of operation and maintenance costs and of capital improvement costs from commercial traffic.

Further, our position is that if there are to be increases in user fees—of course, there is now a schedule of user fees or fuel taxes in effect—any increase should first help cover navigation costs only.

Second, it should be phased in over a period of years.

Third, they should be applied on a systemwide basis as a fuel tax and not on a ton-mile basis as advanced by the administration.

And fourth, it should be tied to the accelerated development and improvement of critical inland waterway projects.

Also, we are gravely concerned in the coal industry about plans to cut back $150 million from the budget of the Corps of Engineers for fiscal year 1983 for operation and maintenance of the inland waterways.

This would produce losses of efficiency and capacity of the existing inland waterways system. It also raises the wholely objectionable threat of deferred system maintenance and resulting deterioration. We cannot afford such losses.

Mr. Chairman, I appreciate this opportunity to present the views of the coal industry. I would be glad to answer any questions.

Thank you.

WATERWAY O. & M. REQUIREMENTS

Senator SASSER. Thank you very much, Mr. Lema.

Let me say, I couldn't agree with you more about this business of cutting the operation and maintenance budget of the Corps of Engineers.

I had a very serious discussion with Assistant Secretary Gianelli when he appeared before this committee a few days ago. He indicated at that time maybe they ought to go back to the drawing board and study this business of cutting the O. & M. budget when I pointed out to him that this would close the Columbian River in my State, which services Nashville, Tenn., and close a sizable portion of the Tennessee River, which services Chattanooga, Tenn., and other areas.

There are some questions here I would like to ask. Senator Huddleston asked me to propound these questions. For coal movements, what are the implications of traffic congestion at critical lock and dam installations such as the lock and dam No. 26 in Alton, Ill., on the Mississippi River and Oliver lock and dam on the Warrior River?

Mr. LEMA. Mr. Chairman, the implications of the congestion at these critical lock and dam installations are simply that you do not get the efficiency and reliability of inland waterway transportation, not only for the 150 million tons of coal that move per year today on our inland waterway system, but also for the projected tonnage.

We project a significant increase in this decade for production and utilization of coal requiring, of course, transportation.

The inland waterway system today is safe, it is reliable, and it is cost effective with respect to movement of coal and other bulk commodities. Moreover, by moving coal on the inland waterway system, we have very little, if any, community disruption that associates with that movement.

We believe that if, in fact, the critical inland waterway navigation improvements are not advanced forthwith, we will lose the opportunity to accommodate the increased coal tonnages which by 1990 could increase from 150 million tons per year to as much as 250 million tons per year on the inland waterway system.

Without that type of improvement, we will not be successful in moving coal on the inland waterways and we may very well lose the economic advantage of our Nation's most strategic, abundant energy resource—coal.

FUEL TAX VERSUS TON-MILE USER FEE

Senator SASSER. Why does the National Coal Association believe the fuel taxes are better on a ton-mile user fee system for levying user charges?

Mr. LEMA. Mr. Chairman, the Congress in its wisdom in 1978, in the 1978 Inland Waterways Revenue Act, decided the fuel tax was the correct mechanism. At that time, we were not anxious, having a kind of user fee.

Senator SASSER. I don't recall you all up here pushing that user fee.

Mr. LEMA. I would say March a year ago we decided it was a good idea to have the user pay part of the cost of the inland waterway system and we accept that philosophy. We do, on the other hand, believe the existing fuel tax mechanism is simple; it is in place since fiscal year 1981.

It is economic in terms of this administration, because measuring the fuel pumped into towboats is rather easy to do. It does not require the creation of a new bureaucratic enforcement team that would look after where commodities are loaded, unloaded, and how far they are hauled so they could, in fact, bill the shipper, and we do believe the fuel tax, in a much better manner than the ton-mile fee proposed, treats the inland waterway system as an integral system and does not differentiate among the segments. We believe the advantage of the inland waterway system is in its totality, not in its segments.

Senator SASSER. Thank you very much, Mr. Lema. There could be a couple more questions that we want to submit to you and we would appreciate your responding to those as quickly as you can and I know you will.

Mr. LEMA. We will do so.

Thank you.

Senator SASSER. Thank you, sir.

[The statement follows:]

STATEMENT OF JOSEPH E. LEMA, VICE PRESIDENT, NATIONAL COAL ASSOCIATION

Mr. Chairman, my name is Joseph E. Lema. I am vice president - transportation of the National Coal Association. I am appearing before you today to present NCA's views on the nation's inland waterways system. NCA represents coal producers, coal sellers, and other organizations associated with the coal industry.

Summary of Testimony

Mr. Chairman, first I will present a summary of my testimony. NCA is most cognizant of the high value to the security and economy of our nation directly attributable to a sound inland waterways system. Inland water carriers move one ton out of every five tons of coal produced in the U.S. in coal's journey from mines to electric utilities, industrial plants, and ports involved in coastal and overseas shipments.

NCA forecasts U.S. coal production to increase to a record 880 million tons this year, up nearly 10 percent from the strike-depressed level of 802 million tons in 1981, and up almost seven percent from 1980. Accompanying this growth in coal production will be increases in the demand for competitive, long-haul, inland transportation services furnished by rail and water carriers. About 150 million tons of coal now are carried yearly on the inland waterways system, not including the Great Lakes. And, forecasts indicate waterborne coal traffic is expected to grow 3.6 percent annually through the turn of the century.

The Congress should act now to authorize and fund critical inland waterways projects. Improvements are required at several locks and dam installations, including overall rehabilitation or replacement of obsolete structures and related equipment utilized in lockage operations.

Inland waterways trust fund receipts are reported to be $21.6 million in fiscal year 1981 and an estimated $64.7 million in fiscal year 1982. And, the income is expected to grow to more than $100 million per year by fiscal year 1986 under present law. The revenues in the trust fund should be utilized expeditiously for critical navigation projects on inland waterways.

NCA has considered recommendations advanced by the Secretary of Transportation last month with regard to implementation of cost recovery on the inland waterways system. Mr. Chairman, NCA has adopted a position on the Administration's proposals. We oppose the concept of full cost recovery of operation and maintenance and capital improvements on inland waterways. Further, we believe that any increases in waterway user charges: (a) should help cover navigation costs only; (b) should be phased in over a period of years; (c) should be applied on a systemwide basis as a fuel tax and not on a ton-mile basis; and (d) should be tied to the accelerated development and improvement of critical inland waterway projects.

The Demand for Coal Transportation Services Today and in Future Years Calls for a Safe, Efficient, and Reliable Inland Waterways System

NCA recognizes that the inland waterways system has had, and continues to have, a basic function in enhancing our national security. Further, we know firsthand that for coal, as well as for many other bulk commodities also of great significance to our national economy, the inland waterways system furnishes efficient, reliable, and reasonably priced transportation. And, inland waterways transportation causes little, if any, disruption to the communities through which frequent, high-volume, long-haul interstate shipments must pass, whether enroute to domestic destinations or to deep-draft ports involved in coastal and overseas shipments. Therefore, NCA believes the federal government has a critical role to play in the continued development and maintenance of the inland waterways system.

Safe, efficient, and reliable inland waterways transportation utilizing the navigable rivers and intracoastal waterways system of our nation is of growing importance to the greater use of coal, our nation's most abundant energy resource. The inland waterways system carries about one ton out of every five tons of coal produced in the U.S. for part of the journey from mines to electric utilities, industrial plants, and deep-draft ports, the principal domestic terminations for inland movements of America's coals. The waterways represent both a basic source of effective coal transportation, and a sound way to compete with railroads for the movement of coal today, with the immediate benefits of better service and reasonable rates which best can be achieved through competitive market forces.

NCA forecasts U.S. coal production to increase to a record 880 million tons this year, up nearly 10 percent from the strike-depressed level of 802 million tons in 1981, and up almost seven percent from 1980. Rapidly growing overseas steam coal shipments, which excludes shipments to Canada, are forecast by NCA to increase from the record 33 million tons last year to 37 million tons, 12 percent more, in 1982. Accompanying this growth in coal production will be substantial increases in the demand for competitive, long-haul, inland transportation services furnished by both rail and water carriers. And, we expect coal transportation demands to continue to rise in future years as America's coals find expanding markets here and abroad. It is estimated that about 150 million tons of coal now are carried yearly on the inland waterways system, not including the Great Lakes. And, the National Waterways Study, in preliminary findings, forecasts waterborne coal traffic to grow at a rate of 3.6 percent annually through the turn of the century.

The Ohio River and its key Upper Ohio Basin tributaries, particularly the Monongahela and the Kanawha Rivers, together with the Mississippi and the Warrior Rivers, are especially important now for movement of coal produced in the eastern, central and western coal-producing states. The Ohio River system itself now carries more than 100 million tons of coal each year. And, even though navigable waterways in some instances are well outside of the immediate area in which coal is mined, the advantages furnished by waterways transportation cause coal shipments originated by other transport modes, including railroads, to be carried to inland ports and transloaded onto barges so as to realize the benefits of waterways transportation.

As the demand for America's coals grows here and in the world market, waterways transportation, as noted earlier, will have an increasingly important role in providing basic transportation capacity as well as viable competition with the railroads for the movement of coal. The railroads now carry about 550 million tons of coal per year, and they too will be called upon to provide substantially higher amounts of transportation service required to ship coal from mines to domestic user destinations and to deep-draft port terminals in the years ahead. Both water and rail carriers have the capability of providing effective coal transportation service by virtue of state-of-the-art technology in water and rail transportation systems. Railroad unit-trains carry 10 to 15 thousand tons of coal per train-set, and barge-tows typically carry 20 to 25 thousand tons of coal per movement, and as much as 60 thousand tons per movement on the Lower Mississippi River. Thus, their proven efficiencies and the associated economies of scale due to large-volume characteristics of water and rail shipments make water and rail carriers competitive where navigable waterways exist. NCA considers such competition for the movement of coal to be a critical factor in keeping delivered prices of coal reasonable and thereby in enabling coal to capture a full share of the market for energy in the U.S. and overseas.

To ensure that water carriers can continue to compete effectively with the railroads where navigation is possible, the Congress should act without further delay to authorize and fund critical inland waterways projects. These are required to expand capacity and level of service at several locks and dam installations, including overall rehabilitation or replacement of obsolete structures and related equipment utilized in lockage operations. If such improvements are not authorized in a short time and construction does not proceed on an expeditious schedule for a selective program of locks and dam replacement and modernization, we stand to lose the vital competition now provided by the inland waterways system for the movement of coal and other bulk commodities.

The Condition of the Inland Waterways System Requires Improvements to Meet Future Demand for Effective Transportation Services

A five-year lapse in funding and authorization of inland waterways improvements, coupled with age, limited size, and deteriorating conditions of several locks and dam installations, has caused unsafe conditions and has produced some serious traffic delays and congestion, reducing the efficiency of waterways transportation. Obviously, these are deterrents to full and complete utilization of the inland waterways system and have grave consequences in lessened competitiveness of water carriers with the railroads in the future if we do not act now to upgrade certain locks and dam installations.

The average age of the 184 principal locks and dam installations is now 40 years, and some have been in service more than 70 years. Without needed replacement and rehabilitation of inadequate and deteriorated locks and dam installations, preliminary findings of the National Waterways Study indicate that projected traffic at a number of installations will reach or exceed their practical capacity in the 1980s and the 1990s. This will be a serious blow to the movement of coal which now represents about 30 percent of total tonnage on the inland waterways system, a figure that is forecast to grow to about 50 percent by the turn of the century.

Stagnation in authorization and funding now characterized by the five-year hiatus in action on inland waterways improvement legislation must not be permitted to last any longer if we are to preserve the strategic soundness of the inland waterways system and its availability as the demand for competitive, cost-effective, energy-efficient transportation of bulk commodities grows in future years.

Some important funding that should be utilized in a timely manner to upgrade the system as intended under provisions of the Inland Waterways Revenue Act of 1978 exists in the Inland Waterways Trust Fund. Receipts to the trust fund are reported to be $21.6 million in fiscal year 1981 and an estimated $64.7 million in fiscal year 1982. And, the income is expected to grow to more than $100 million per year by fiscal year 1986 under present law. There have been no appropriations from the trust fund as yet. The revenues now held in the trust fund, we believe, should be utilized for critical navigation projects on inland waterways. Needs are known, project justifications have been demonstrated, now project engineering, design and construction should be placed on an expedited implementation schedule so that the benefits attributable to critical improvement projects are not lost because of inability to use the trust fund in an effective manner. For example, on March 5, 1982, a seven-member congressional delegation from the House of Representatives visited the Gallipolis Locks and Dam on the Ohio River. The delegation received a detailed briefing on the immediate need for replacement of the inadequate 110' x 600' and 110' x 360' lock chambers built in 1937 with new 110' x 1200' and 110' x 600' lock chambers properly aligned with the navigation channel of the Ohio River to safely accommodate modern barge tows. And, on March 3rd, a bill (HR 5712) was introduced to authorize and to expedite completion of this project.

NCA believes replacement of the Gallipolis Locks and Dam should be dealt with promptly along with certain other improvements on the waterways. Other critical locks and dam installations which should be considered for replacement or upgrading at an early date, in addition to Gallipolis, include but are not limited to, Gray's Landing and Point Marion (Locks and Dam Nos. 7 and 8) on the Monongahela River, Winfield on the Kanawha River, and Oliver on the Warrior River, and the addition of a second 110' x 1200' chamber at Locks and Dam No. 26 near Alton, Illinois on the Mississippi River. These locations, we believe, should be given priority attention as potentially serious bottlenecks on the inland waterways system which could hamper highest and best use of the entire system for movements of coal and other bulk commodities.

Another grave problem before us today is the reduction in operation and maintenance for navigation on the nation's waterways addressed in testimony of the Assistant Secretary of the Army for Civil Works in the past few weeks. Reportedly, a reduction of $150 million in the budget for the Corps of Engineers is being proposed for fiscal year 1983. This carries with it a threat of cutbacks in manpower and operation at certain locks and the abhorent spectre of deferred maintenance at some installations, an unacceptable and most regressive proposition.

NCA Has Considered Proposals for New Inland Waterways User Charges And Opposes the Concept of Full Cost Recovery Advanced by the Administration Last February

NCA has considered recommendations advanced by the Secretary of Transportation on behalf of the Administration last month with regard to implementation of cost recovery on the inland waterways system. Mr. Chairman, this month NCA adopted the following position:

A. The nation's inland waterway system provides a transportation network which is vital to the national economy and our national security.

B. NCA believes the federal government has a critical role to play in the continued development and maintenance of this national arterial network.

C. NCA opposes the concept of full cost recovery for operation and maintenance and capital improvements of inland waterways.

D. Any increases in waterway user charges should:

1. help cover navigation costs only;
2. be phased in over a period of years;
3. be applied on a system-wide basis as a fuel tax and not on a ton-mile basis; and,
4. be tied to the accelerated development and improvement of critical inland waterway projects.

In summary, Mr. Chairman, NCA is most cognizant of the high value to the security and economy of our nation which can be directly attributed to a sound inland waterways system.

We realize that at a few points on this vital arterial transportation network, we must act now to arrest deterioration and to upgrade capacity and service levels. Notwithstanding these observations, NCA considers that the concept of full recovery of operation and maintenance and capital improvement costs from commercial traffic is wrong, as is the notion of changing from present system-wide fuel taxes to a new, cumbersome ton-miles fee procedure which would be applied in part on a segment-specific basis and in part, system-wide. These proposals simply ignore the fact that a sound inland waterways system benefits the entire nation, not only the users of the waterways. Therefore, it cannot be judged fair and equitable to impose full cost recovery on commercial traffic as the Administration proposes.

Thank you for hearing NCA's views on inland waterways. I will be glad to respond to any questions you may have.

MISSOURI RIVER RECREATION PROJECT

STATEMENT OF EARL ROWLAND, PRESIDENT, MISSOURI RIVER STABILIZATION ASSOCIATION

ACCOMPANIED BY DARRELL CURRY, VICE PRESIDENT

Senator SASSER. Our last witnesses today will testify relative to the Missouri River recreation project, Mr. Darrell Curry and Mr. Earl Rowland of the State of Nebraska.

Mr. ROWLAND. We appreciate the chance to appear before you on behalf of——

Senator SASSER. For purposes of the record, is this Mr. Rowland?

Mr. ROWLAND. I am Mr. Rowland.

We appreciate the chance to appear before you on behalf of the Missouri River Bank Stabilization Association to testify regarding the fiscal year 1983 budget. We would like to speak on behalf of the funding for the Missouri National Recreation River project, which was authorized by Congress in 1978.

This project is a 59-mile stretch of the Missouri River between Gavins Point Dam near Yankton, S. Dak., and Ponca State Park, Ponca, Nebr. This is the only natural stretch of the river left below the mainstem dams, everything else being a part of the Missouri River bank stabilization and navigation project.

This area has suffered severe bank erosion and excessive loss of land and timber since the dams have been built. We realize the enormous amount of good the dams have done providing flood control which has prevented what would have been some of the largest and most disastrous floods in the history of the river, preventing millions of dollars in losses and damages, providing much needed hydro power at a fair cost, and insuring a regular flow of water for hydro power and navigation which has been a huge benefit to the area down river from us. All of these benefits are good but have only made our situation worse.

When a large amount of water is stored to prevent flooding, we are sure to suffer severe erosion during the summer due to the higher releases from the dam to evacuate the excess water stored. This happened in at least 3 of the last 10 years causing many farmers such as myself to lose over 100 acres in that time.

There is a table attached to this testimony showing some samples of the erosion rate in 1981, which was a year of low releases from the dams.

The erosion evaluation by the Corps of Engineers shows an average of 320 acres per year lost in this river reach since the closing of the dams. This loss is the reason for the existence of our association consisting of farmers, landowners, sportsmen, and people from Nebraska and South Dakota mainly, although we also have members from Iowa, Kansas, Indiana, California, and Minnesota who love and are concerned about the river and want to preserve the natural condition and pristine values of the river along with obtaining a little more public access.

PLAN OF IMPROVEMENT

The money we request would be used for bank stabilization and purchasing scenic and conservation easements necessary to save remaining woodlands, wildlife habitat, and to protect the scenic beauty of the river so that the future generations may see what we have too often taken for granted, not realizing that it could all be lost without the proper attention and care.

The plans for the first construction year are two sites for erosion control with the necessary scenic easements; a scenic easement for visual purposes, a scenic easement to preserve and protect wildlife habitat, a recreation easement, and a recreation development site to be purchased.

The estimated cost for this is $2.3 million. The authorization also calls for taking over the operation and maintenance of the erosion control structures already built in this reach of the river, the estimated cost for the first year being $160,000.

We hope this committee will recommend the necessary funding for this project for fiscal year 1983.

A study team comprised of Federal, State, county, and local agencies as well as environmental groups and farmers has worked for almost 3 years with the Corps of Engineers in developing ideas and plans for the river. An advisory group of the same people is being formed to help with future planning. Funding of this project would provide a very desirable and long-time effect in saving one of the few remaining natural areas and natural rivers in our Nation so we would very respectfully ask that you consider the capabilities expressed in the amount of $2.3 million for construction and $160,000 for operation and maintenance for the Missouri National Recreation River in fiscal year 1983.

Thank you.

Senator SASSER. Gentlemen, thank you very much. We may very well have some questions that we would like to submit to you for the record at a later date.

Mr. ROWLAND. We will be happy to answer them.

Senator SASSER. We appreciate you coming here today and giving us your views on this project.

Mr. ROWLAND. We thank you very much for the chance to appear.

[The statement follows:]

JOINT STATEMENT OF EARL ROWLAND, PRESIDENT, AND DARREL CURRY, VICE PRESIDENT, MISSOURI RIVER BANK STABILIZATION ASSOCIATION

We appreciate the chance to appear before you on behalf of the Missouri River Bank Stabilization Association to testify regarding the FY 1983 budget. We would like to speak in behalf of funding for the Missouri National Recreation River project which was authorized by Congress in 1978. This project is a 59 mile stretch of the Missouri River between Gavins Point Dam near Yankton, South Dakota and Ponca State Park, Ponca, Nebraska. This is the only natural stretch of the river left below the mainstem dams, everything else being a part of the Missouri River Bank Stabilization and Navigation Project. This area has suffered severe bank erosion and excessive loss of land and timber since the dams have been built. We realize the enormous amount of good the dams have done providing flood control which has prevented what would have been some of the largest and most disastrous floods in the history of the river preventing millions of dollars in losses and damages, providing much needed hydro power at a fair cost and insuring a regular flow of water for hydro power and navigation which has been a huge benefit to the area down river from us. All of these benefits are good but have only made our situation worse. It has broken the erosion-accretion cycle we used to experience whereby we might lose some land in one place and gain it back in another. Now we have only the erosion cycle as we never experience the June raises which got high enought to build back farmground. Whenever a large amount of water is stored to prevent flooding, we are sure to suffer severe erosion during the summer due to the higher releases from the dam to evacuate the excess water stored. This happened in at least three of the last ten years causing many farmers such as myself to lose over one hundred acres in that time. There is a table attached to this testimony showing some samples of the erosion rate in 1981, which was a year of low releases from the dams.

The erosion evaluation by the Corps of Engineers shows an average of 320 acres per year lost in this river reach since the closing of the dams. This loss is the reason for the existance of our Association consisting of farmers, landowners, sportsman and people from Nebraska and South Dakota mainly, altho we also have members from Iowa, Kansas, Indiana, California and Minnesota who love and are concerned about the river and want to preserve the natural condition and pristine values of the river along with obtaining a little more public access. The money we request would be used for bank stabilization and purchasing scenic and conservation easements necessary to save remaining woodlands, wildlife habitat and to protect the scenic beauty of the river so that future generations may see what we have too often taken for granted not realizing that it could all be lost without the proper attention and care. $5,743,000 has been spent in this reach of the river for bank stabilization from 1976 through 1980 under the Section 32 Streambank Erosion Control and Demonstration Act which was the fore runner and beginning for the Missouri National Recreation River designation. $647,500 has been spent for the Environmental Impact statement and various surveys and studies to ready the project for construction. The plans for the first construction year are two sites for erosion control with the necessary scenic easements; a scenic easement for visual purposes, a scenic easement to preserve and protect wildlife habitat, a recreation easement and a recreation development site to be purchased. The estimated cost for this is $2,300,000. The authorization also calls for taking over the operation and maintenance of the erosion control structures already built in this reach of the river, the estimated cost for the first year being $160,000. We hope this committee will recommend the necessary funding for this project for FY 1983. The uniqueness of this project alone has an extremely high value. Whereas most scenic recreation river designations are requested by environmental groups who furnish nothing toward the project but want the government to foot the total bill, this designation was sought for and obtained by our organization representing the landowners at their request. The farmers of Nebraska and South Dakota have contributed a large amount to the work already done, granting construction easements and land use preservation agreements without cost to the government. A study team comprised of federal, state, county and local agencies as well as environmental groups and farmers have worked for almost three years with the Corps of Engineers in developing ideas and plans for the river. An advisory group of the same people is being formed to help with future planning. Funding of this project would provide a very desirable and long time effect in saving one of the few remaining natural areas and natural rivers in our nation so we would very respectfully ask that you consider the capabilities expressed in the amount of 2.3 million dollars for construction and $160,000 for operation and maintenance for the Missouri National Recreation River in FY 1983.

We would be happy to answer any questions you may have.

NAME	LOCATION	APP. RIVER MILE	LENGTH OF EROSION	DEPTH OF EROSION	LAND USE
RUSSEL HANSON	NEBR.	766	2112 FT.	360 FT.	75% FARMLAND 25% TIMBER
HAROLD PANSEGRAU	NEBR.	767	990 FT.	220 FT.	FARMLAND
MRS. ORRIS LAMPRECHT	NEBR.	765	5016 FT.	264 FT.	15% FARMLAND 85% TIMBERED
MISSOURI VALLEY FARMS	S. DAK.	764	2800 FT.	70 Ft.	CAMPGROUND IRRIGATED FARM LAND & LOW BAR TIMBER
		[illegible]	[illegible]	[illegible]	
		766	3980 FT.	500 FT.	IRRIGATED FARM LAND
JOHN BOHAN	S. DAK.	767	2500 FT.	200 FT.	FARM LAND
FRANCIS HEINE	S. DAK.	770	2640 FT.	600 FT.	IRRIGATED FARM LAND
			1320 FT.	200 FT.	TIMBER
			1320 FT.	100 FT.	TIMBER
VERNER SORENSON	S. DAK.	771	700 FT.	200 FT.	PASTURE TIMBER
GILBERT PETERSON	S.DAK.	785	1500 FT.	20 FT.	RESIDENTIAL DEVELOPMENT 7 CABINS
GLENN & ED WATCHORN	NEBR.	756	1650 FT.	660 FT.	FARM LAND
ANSON SCHRAM	NEBR.	757	2640 FT.	300 FT.	75% FARMLAND 25% TIMBER

PREPARED STATEMENTS FROM MEMBERS OF CONGRESS

Senator SASSER. We have prepared statements from Senator East of North Carolina and Congressman Richard Ottinger that will be incorporated in the reocrd at this point.

[The statements follow:]

STATEMENT OF SENATOR JOHN P. EAST OF NORTH CAROLINA

I appreciate the opportunity to express my strong support for funding and continued development of the Manteo (Shallowbag) Bay project.

The Manteo (Shallowbag) Bay project is of major importance to the economic advancement of northeastern North Carolina and to the lives and well-being of the fishing crews who work the stormy ocean area nearby. The Manteo (Shallowbag) Bay project is authorized under the River and Harbor Act of 1970 as a navigational project. I support the project fully.

As you are aware, the Federal Civil Works Program under the jurisdiction of the Corps of Engineers embraces the works for improving harbors, coastal areas, and other allied water purposes. Work of this nature has been carried on for over 157 years since the first appropriation by Congress in 1824. In the river and harbor legislation since that time Congress has delineated the policies, prescribed the procedures and authorized the water resources developments which constitute the present civil works program. Congress has delegated to the Corps of Engineers the duty of planning, providing, and administering this civil works program.

The Oregon Inlet area, which is part of the authorized Manteo (Shallowbag) Bay project, is unique in its geography and its people. The Inlet is situated forty miles north of Cape Hatteras, North Carolina and is the only opening through the barrier reef which forms the coastline from Cape Hatteras, North Carolina to within twenty-five miles of Cape Henry, Virginia. The narrow, barrier islands separate the rich fishing grounds of the Atlantic from the harbor-safe inland waters of Curritick, Albemarle, Roanoke, and Pamlico Sounds in North Carolina.

It is significant to recognize Oregon Inlet as the key to an ocean area having the largest concentration of foodfish in the northern hemisphere, and a people qualified and technically proficient to harvest this vast resource.

Recently, it was my privilege to receive testimony from a group of fishermen and their families who brought their concerns to Washington. I was particularly impressed by the telling testimony describing the frustration, fear, and often tragedy of commercial fishermen in what has often been cited as the most treacherous inlet on the east coast. After receiving this witness, I feel there is little question of the urgent need for operation and maintenance of the Inlet. I emphasize that this navigational project remains extremely vital, because these waters provide a major source of income for twenty-five North Carolina counties.

Several experts in commercial fisheries inform me that Russian, Japanese and other foreign fishing interests harvest far more resource between Cape Hatteras, North Carolina and Cape Henry, Virginia than do American interests. Consultants with the U. S. Department of Commerce cite a continuing and deteriorating trade deficit for edible fish projects. They state that in 1971 the balance of trade for edible fishery products stood in deficit $773 million. By 1981 their findings show that the deficit has ballooned to over $1,874 million.

If what our foremost authorities tell us is true, then every effort should be made to insure development of our fisheries.

The State of North Carolina and local interests in the Oregon Inlet vicinity wish to foster, expand, and support our fishing industry. However, if the Oregon Inlet cannot be safely negotiated by fishing vessels, our fishermen will be prevented in their efforts to compete with foreign operators. Subsequently, dependable volumes of fish necessary to support seafood processing facilities will be unattainable. Without adequate passage between safe harbors and the sea, our fishermen will not be able to compete in the harvest of this vast resource which lies just off our coast. Naturally, the impact on our fishing industry is enormous. Fishermen do not understand how they are to compete in the marketplace with foreign interests without having safe access to fishing grounds.

In summary, Mr. Chairman, Oregon Inlet is the key to North Carolina's ocean fishing efforts. It has the potential to provide important benefits which will strengthen our domestic economy. If we are to continue to be responsive to the water resource needs of present and future generations, the improvement of navigational facilities in this country must allow our fishing vessels safe passage. To this effort I commend the continuation of the Oregon Inlet project to assure our vessels safety without fear of disaster to the sea beyond.

I deeply appreciate this opportunity to present testimony to your Committee and urge your support for continued operation and maintenance of the Oregon Inlet, a vital component of the Manteo (Shallowbag) Bay project.

STATEMENT OF REPRESENTATIVE RICHARD L. OTTINGER FROM NEW YORK

I am grateful to have the opportunity to bring to your attention several of my concerns about funding for water resources projects located in Westchester County, New York. Specifically, I want to address the need for funding for the Mamaroneck/Sheldrake and Byram Rivers flood control projects and the Milton Harbor maintenance dredging project located in Rye, New York.

The fiscal year 1983 civil works budget request submitted to Congress in February and as revised by the Reagan Administration contains $455,000 for "Continuation of Planning and Engineering" study within the General Investigation appropriation for the Mamaroneck/Sheldrake Rivers project in the Village of Mamaroneck, New York. The purpose of this category of funding is to continue planning on approved projects in anticipation of Congress authorizing the project for construction. The estimated project cost is $46 million While I am pleased that the Corps has this capability for the project and that the President's budget reflects a request equal to the Corps' capability, I have several remaining concerns.

First, the $455,000 budgeted for the Mamaroneck/Sheldrake Rivers project is to be applied only to a part of the project in the Village of Mamaroneck. The Upper Sheldrake, which has been under study since 1956 and which received approval from the Division Engineer was abruptly terminated by the Corps in May of 1978 as a result of an Engineering Regulation which redefined the federal interest in urban flood control. This regulation, which was issued without Congressional or public comment, set certain arbitrary size and flow criteria which determined in which projects the Corps could and could not continue to participate. The Water Resources Development Act which passed the House in 1980 included language to suspend this regulation and, hopefully, future water resources legislation will do likewise. Until such time as Congress makes its decision as to what does and does not constitute a federal interest in urban flood control, I urge the Subcommittee to direct the Corps in its preconstruction planning on the Mamaroneck/Sheldrake project to include work on the Upper Sheldrake portion in the Town of Mamaroneck.

Second, the budgeted amount for preconstruction planning does not include any work on the Byram River project which lies in Westchester County, New York and Fairfield County, Connecticut. In the Army

Corps of Engineers capability report for FY 83, $100,000 was approved for this project. I request that any funding for preconstruction planning include continuation of study and engineering on the Byram River basin project in accordance with the Corps'capability.

Of primary importance and concern to me is that work on the entire Mamaroneck/Sheldrake and Byram Rivers projects proceeds without further delay. It has taken literally a generation--over 25 years--for these projects to move from the point the study was authorized to the construction authorization stage where they are today. To make matters worse, it has been six years since Congress acted on an omnibus water resources bill, resulting in essentially no new starts in water projects during that time. In addition, I am informed that once Congress authorizes these projects, under the normal process, actual construction can take up to another decade. The Mamaroneck/Sheldrake and Byram Rivers projects are not controversial and have been the subject of hundreds of hours of public comment and debate. The projects have benefit to cost ratios of 1.2 and 1.3. Flood damages along these rivers over the past years have amounted to millions of dollars and during the 1975 storm--the flood of record--the Village of Mamaroneck was under nine feet of water, one person drowned, more than 200 people were evacuated by the Red Cross. The Village has been put on notice by its largest employer, Sealectro Corporation, that if flood control is not forthcoming, the company will have to relocate at the cost of 1100 jobs for the community. In addition to the tremendous monetary losses to local businesses, property owners, and local governments, each time there is a flood the federal government spends millions of dollars in terms of flood insurance and disaster relief payments. In the Village and Town of Mamaroneck alone, from 1978 to 1981, the federal government paid 571 claims totalling $2,305,057 under the federal flood insurance program.

My final request to the Subcommittee is for $1,066,000 for the maintenance dredging of Milton Harbor located in the City of Rye, New York. The Channel has not been maintained since 1976 and the need for dredging has reached critical proportions. The Corps estimates that 70,000 cubic yards of material must be dredged from the harbor at an estimated dredging and disposal cost of $1,066,000. I make this request assuming that the Corps has not been able to accede to my request for emergency reallocation of FY 82 funds to perform this work this spring.

The Milton Harbor request was not included in the FY 82 budget and is not currently included in the President's budget for FY 83. If funds are not appropriated in FY 83, the City of Rye projects that commercial activity within the harbor will cease and massive relocations will occur. Marine-related businesses in the City will lose substantial sums of money and property values will drop significantly. The City estimates that the annual cost to business if the federal channel is allowed to silt up is $700,000. Furthermore, $14 million in property values will be adversely affected with a direct loss of $3 million if the federal channel is abandoned. In addition, the blockage of the federal channel would mean a 25 job loss.

During the 1981 navigation season, entire portions of the federal channel in Milton Harbor were completely blocked during mean low water, thus severely restricting movement of the Harbormaster's boat, marine police boats, and users of the Municipal Boat basin, two commercial yards, and a private marina. The silting was so extreme that during mean low water mud and sand rose above or to within a few inches of the surface.

Due to the severity of the silting and the economic effects of the situation, the City last year contracted for the removal of 10,500 cubic yards of sediment in areas immediately adjacent to the federal channel at a cost in excess of $54,000. If the City had not taken this action, it would have meant a 40% loss of all slips in Milton Harbor. This work, which was done in anticipation that federal dredging would occur this spring, will lose its effectiveness and mean a terrible loss to the City of Rye if dredging of the federal channel is abandoned. Therefore, I urge the Subcommittee not to allow the federal government to neglect its responsibility to dredge the federal channel in Milton Harbor and respectfully request that an appropriation of $1,066,000 for this work be included as part of the FY 83 budget.

Also, I understand it is the policy of the Administration not to maintain harbors of less than 14 feet depth beginning in FY 83, terming such harbors as 'recreational' and therefore assuming they are nonessential for federal maintenance. I urge the Subcommittee to consider the breach of faith this represents to business and property owners who have made significant investments in reliance of federal participation of harbor and channel maintenance. This unilateral change of business by the Administration will have severe ramifications on local businesses and property owners, not only in my district, but around the country. We cannot accept this wreckless change of policy.

I appreciate this opportunity to address the funding concerns for essential water resources projects in Westchester County.

ADDITIONAL PREPARED STATEMENTS

Senator SASSER. The staff also informs me that numerous other statements related to projects in this area of the country; namely, Iowa, Nebraska, and Colorado, have been recieved by the subcommittee for inclusion in the hearing record.

If there is no objection, they will be incorporated at this point.

[The statements follow:]

STATEMENT OF JEANNE W. ENGLERT, DURANGO, COLO.

My name is Jeanne W. Englert. As a resident of Durango and southwest Colorado, I am here today to ask this subcommittee to appropriate no funds for the Animas-La Plata water project and to conduct a General Accounting Office investigation of the methods used by the Bureau of Reclamation in designing the project.

The Animas-La Plata project is not only a ridiculously uneconomic water project, it has included as a beneficiary one party, the Navajo nation, which expressly declined (by official tribal resolution) to participate and another party, the city of Durango, which can develop its own water supply at considerably lower cost.

In 1978 the Navajo Tribal Council passed a resolution declining to participate in the Animas-La Plata project, a position the Navajos reiterated in 1979 in their response to the draft Environmental Impact Statement. Nevertheless, the Bureau of Reclamation included the Navajo nation in its planning documents and cost-benefit ratio despite the Navajo's official withdrawal from the project.

The Bureau of Reclamation included Durango as a project beneficiary on the premises that Durango's water rights on the Animas River would be jeopardized by pending Indian water claims and that Durango needed 8,200 acre-feet of water storage to provide for future population growth. Both of these premises are false. Independent consultants hired by Durango in 1981 have concluded that Durango's water rights are secure and are in fact superior to the project's water rights. The consultants went so far as to say they are concerned that the project's water rights may not be firm.

The consultants also concluded that: a.) Durango's entire future storage needs can be satisfied by a simple enlargment of its municipal reservoir; b.) that the city need not develop more than 2500 acre-feet of water; c.) that participation in the Animas-La Plata project could cost Durango $112 million more than their recommended independent alternative.

How was it, then, that the Bureau of Reclamation, whose engineers and technicians occupy two floors of a Durango office building, came to the absurd conclusion that Durango needed 5700 acre-feet of water more than that community could ever use and its early-priority water rights were in jeopardy?

Gentlemen, I would submit to you that the Bureau of Reclamation has been grossly irresponsible in its actions toward Durango. Durango narrowly averted financial disaster by hiring independent consulting engineers to analyze Durango's participation in the Animas-La Plata project. What about other communities, less prosperous or skeptical, which assume the Bureau is supplying them with objective and accurate information?

When a federal agency and a reputable engineering firm differ so widely in their conclusions, there is something wrong. When that federal agency's water development plan costs a community over $100 million more than an alternative, there is something wrong. Because of that wide disparity in cost and because of the shaky premises used by the Bureau of Reclamation in including Durango into the Animas-La Plata project, I would like to see the General Accounting Office investigate the procedures used by that agency in including Durango into this project. Unless reforms are instituted in the Bureau's method of analysis, I fear that other communities elsewhere may be trapped into buying more water than they need at a price they cannot afford.

Statement of Lewis Matis, Durango, Colo.

In Southwestern Colorado two Bureau of Reclamation water projects are presently under construction and a third, the Animas-La Plata project, could be under construction in 1983 if the local voters approve a repayment contract. However, both the Dolores and Dallas Creek projects are facing serious financial problems, which raises serious questions about the methods used by the Bureau to justify water projects. We believe the same fate could befall us locally if the Animas-La Plata project is also constructed.

Dallas Creek and Dolores projects are both in the early construction phase, with construction of the dam just beginning on the Dolores and with only design work completed on the Dallas Creek project. Yet costs for these projects have skyrocketed and will surpass the present projections. Five years ago the municipal water for the Dolores was projected to cost just over $15 million. Today this cost is projected to be over $46 million, a 300 percent increase. Water that was to cost the city of Cortez about $90 an acre-foot in 1977, when the voters approved the repayment contract, is now $331 an acre-foot. Dallas Creek project water jumped from $38 to $70 million in the same period of time.

The Southwestern Colorado area, where all three of these water projects are located, is a rural area made up of small communities. Both Cortez and Montrose have under 10,000 people and other towns served by these two projects are even smaller. These costs are becoming a tremendous financial burden to these small communities. Cortez may be faced with a second repayment contract election because the cost of their water is exceeding the cost ceiling in the original contract.

Durango, where I live, is faced with an even greater burden in the case of the Animas-La Plata project, because this project is considerably larger, more complex and expensive than either the Dolores or Dallas Creek. Fortunately, an independent study conducted by an engineering firm demonstrated that Durango has an alternative that would cost less than one-third as much as this reclamation project. In an effort to maintain Durango's participation in the Animas-La Plata, the Bureau of Reclamation then developed an altered design that would cost about $83 million, still considerably more than the maximum of $39 million the consulting engineers estimate would be the price for Durango's future water development.

But while the estimated price by the consulting engineers for Durango is given as a maximum figure, the repayment contract for the Animas-La Plata project is not. The contract gives merely an estimate of projected costs in 1991 and includes a built-in escalation clause of 35 percent over that figure. Durango, the Bureau of Reclamation admitted, would not know the true cost of its project water until after the project was built. That cost could easily double over a ten-year construction period and will probably increase three to fourfold.

Considering the complete unpredictability of projected costs for Durango in the Animas-La Plata, as has been the case in its two neighboring projects, the Dolores and Dallas Creek, it would be foolish for Durango to commit itself to the Animas-La Plata. Indeed, I foresee the citizens of Durango wisely voting not to approve this repayment contract. Furthermore, I believe Congress should examine more closely the methods which the Bureau of Reclamation uses to determine the costs and benefits in these water projects because those methods have been shown to be neither adequate nor accurate.

STATEMENT OF JEAN McCULLOCH, VICE CHAIRMAN, TAXPAYERS FOR THE ANIMAS-LA PLATA REFERENDUM, DURANGO, COLO.

My name is Jean McCulloch. I am a resident of Durango, Colorado, and Vice Chairman of the Taxpayers for the Animas-La Plata REferendum. On Monday, March 22, 1982, our organization filed suit in federal district court, seeking a declaratory judgment as to whether the Animas-La Plata Water Conservancy District was organized and has operated in violation of the constitution of the United States. We are also asking the court to:

- Decide if the taxes levied by the district are illegal and subject to refund;
- Enjoin the district permanently from operating and to enjoin its directors from exercising any power or from taxing any actions;
- Award the plaintiffs refunds of any or all taxes and special assessments paid by them to the district, with interest as provided by law;
- Award plaintiffs costs and attorney fees and any other relief as justice may require.

The suit contains eight claims for relief and names both the district itself and each member of the board of directors as defendants. Plaintiffs are the Taxpayers for the Animas-La Plata Referendum plus my husband and I and Helen Robinson as individually-named plaintiffs.

We believe the Animas-La Plata Water Conservancy District as created and it its operation is in violation of the First and Fourteenth Amendments of the United States Constitution. Our concern here, in entering into this civil action, is not the project itself but the means used in creating the entity which would contract for it.

In our opinion--although this in itself is not a direct part of our Complaint--water conservancy districts in the State of Colorado are fundamentally undemocratic and non-representative institutions. Other special districts--mosquito control districts, fire districts, hospital districts, metropolitan districts--are formed by an election of the people and elect their boards of directors. Water Conservancy Districts, in contrast, can be formed by decree and their boards are appointed by a judge, not elected by the people. Yet conservancy districts are given broad powers to construct projects, to tax and to levy special assessments and to condemn land. Conservancy districts add another layer of government, one which has the powers of a municipal corporation.

Because of those broad powers and because of the potential impact the Animas-La Plata Water Conservancy District can have on our lives, we have decided to enter into this litigation to ask the federal court to decide if the district's formation and operation violate our constitutional rights.

STATEMENT OF JOHN W. ENGLERT, DURANGO, COLO.

My name is John Englert. I live in Durango, Colo., where I am in the fourth grade. I am 10 years old.

Because of my age, I will not be allowed to vote on the Animas-La Plata water project but it is kids my age who will have to pay for it. If the Bureau of Reclamation started building the Animas-La Plata project today, I would be 80 years old before it is paid for.

Durango is a great place to live. We have lots of water. We have a narrow-gauge railroad. I go to a small school and live in a nice neighborhood. The Animas-La Plata will change all that. Our air will be polluted and my school will get crowded.

I do not understand why you want to build the Animas-La Plata project when so many people in Durango are losing their jobs because of budget cuts. It would make more sense to me to use that money to continue the jobs that used to be here. The jobs that are being lost in Durango help people, like for health and education. The Animas-La Plata project won't do that. It won't do us any good. It will just make Durango a crummy place to live.

Thank you very much.

STATEMENT OF JUANITA SAUVAGE, DURANGO, COLO.

I would like to request that this subcommitee consider not funding the Animas- La Plata Water Project here in southwestern Colorado. Besides being a ridiculously expensive, high maintenence project it threatens to seriously impair the quality of life in this area.

The increases in crime in adjacent Montezuma County, with the beginning of the Dolores project, are a matter of record. Durango does not need to have the transient labor for needed for construction, with the subsequent problems, thrust upon it. We do not need the air pollution from the power plants that will ultimately be built with the overabundance of water that this project will provide. We also have absolutely no use for a half billion dollar recreation pond. Lemon Reservoir, about the same distance north of town goes virtually unused.

The Black & Veach study shows that Durango can provide all of its future water needs for a fraction of the cost of the Animas- La Plata Project. Why then is it even necassary to consider something as over priced as this project.

Please spare the citizens of this area the unnecassary burden of the Animas- La Plata Project. We don't want it, we don't need it, and we can't afford it.

Thank You

STATEMENT OF DONN HICKS, DURANGO, COLO.

I would like to take this opportunity to express my opposition to the Animas- La Plata Water Storage Project. Even if this project could be completed for the estimated 520 million dollars it is an incredibly over priced boondoggle. The concept of drawing water out of a river and pumping it uphill to a reservoir through a system of over 40 pumps is an expensive, high maintenence system with an extremely limited effectiveness. It is hard to beleive that any reasonable minded individual could support a project of this sort which will consume 165,000,000 KWH per year. This is three times the consumption of our city already.

I'm sure you can find supporters of this project, I've spoken to a few here. I have found the supporters limited though to those individuals who stand to reap the greatest economic benefit from this fiasco. The benefits to the rest of the citizens of this AREA are non-existant. Please do not saddle us with the incredible economic burden for a project we do not need just to satisfy the greed of a few individuals in this area.

An engineering study by the firm of Black & Veach has already shown that we can more than satisfy our future water needs at far less cost than the Animas- La Plata proposal.

Please do not fund this Animas- La Plata nightmare, we neither need it or want it.

Letter From Charles K. Peart, Mayor, Davenport, Iowa

March 29, 1982

Honorable Mark O. Hatfield, Chairman
Committee on Appropriations
Subcommittee on Energy and Water Development
1322 Dirksen Office Building
Washington, D.C. 20510

Dear Senator Hatfield:

Submitted please find written testimony for consideration of the Davenport Flood Control Project before the Congress. On behalf of the City Council and City of Davenport, I respectfully request that a construction appropriation of $340,000 be included in the FY-1983 Federal Budget now under your review.

As recently as March 16, 1982, I corresponded with the Assistant Secretary of the Army for Civil Works expressing our commitment and capability to proceed with this project. Unfortunately, we were deeply involved with our obligations in considering the new financing and authorization parts of this project when the scheduling of public oral testimony before your subcommittee should have been arranged.

I understand that the Corps of Engineers and the Office of Management and Budget are currently reviewing this and seven other projects nationally for recommending new starts as an addendum to the proposed budget. Knowing the past constraints in authorizing new starts and with the consideration of new cost-sharing policies, I request that the City be represented at any supplemental hearings. In the interim, the communication linkage will be initiated at the staff level.

Your consideration of this matter will allow all parties concerned to proceed in a timely manner to finally resolve this 17 year old project that is so critical to the continued environmental, social and economic well-being of the people of Davenport and the Quad Cities.

Sincerely,

Charles K. Peart
Mayor

STATEMENT OF CHARLES K. PEART, MAYOR, DAVENPORT, IOWA

SUMMARY

Purpose: The Davenport, Iowa Project is the focus of a broad-based community effort combining the purposes of job preservation, housing, recreation, environmental enhancement, public facilities improvement and flood control. Public access to and uses of the river edge will be greatly increased, and protection will be extended to property valued at $303,300,000, which is 19% of the total assessed value within the city limits. The proposed project will provide the following significant benefits: Community stability during times of flooding; Revitalization of the central business district; Protection of the regional water and sewage treatment plants; Continuous riverfront recreation; Expansion of the Great River Road, Iowa Section; Reclamation of a 40 acre former city dump for recreation; Preservation of the 163 acre Nahant marsh; Protection of 1,700 acres of developed property; Creation of 600 construction jobs and preservation of 12,000 existing jobs; Protection of major rail and highway transportation links; Protection of 276 commercial, 88 industrial, 796 residential and 23 public structures.

Description: Davenport is a central city of 103,264 in a SMSA of 383,958 people. It is the second largest urban area in Iowa and the third largest in Illinois. Located in the 1st Congressional District, Scott County, Davenport is one of 14 continguous communities known as the Quad Cities. It is the largest city on the Mississippi River remaining without flood protection. The project consists of 4.5 miles of levees, .95 miles of permanent and folding floodwall, 16 closure structures, 33 gatewells, 3 pressurized sewers, 5.1 miles of bicycle path, 1.0 miles of paved road, 40+ acres of recreation development, 3 permanent pump stations and preservation of a 163 acre marsh. The project costs $33,861,000 of which the Federal share is $20,844,000. The benefit/cost ratio is a favorable 1.17.

Requests for Action: The City of Davenport respectfully requests the Administration and Congress to consider: 1. The appropriation of sufficient funds to provide project capability to the Corps of Engineers for phase I construction in the FY 1983 Federal Budget. As the New Starts Program is currently formulated, this would amount to $340,000. 2. The continued financial support in subsequent fiscal years to meet the Federal share of the total flood control project costs.

Evidence of Local Commitment: The Davenport project is one of twelve projects proposed by the Assistant Secretary of the Army for Civil Works to be a new start in the FY 1983 Federal Budget. The City of Davenport, as recently as March 16, 1982 has agreed to pay 35% of the flood control construction costs under this new program. Standard assurances are included in addition to cost-sharing of 50% for the recreation development. This commitment involves an increased cash contribution in 1981 prices of from $2,549,000 to $10,166,000. The City will finance its share of the project costs over a series of general obligation bonds issues. Davenport is currently in excellent fiscal condition with an AAA bonding rating, and it has the ability to approve financing without the need for a referendum. The actions requested are crucial for the project's success. Inflation, time and inaction continue to be obstacles. Engineering is complete, and all work is within the authority of the Corps of Engineers to proceed with construction. The project's scope meets our community's needs; with your approval, we will proceed.

I. PROJECT DESCRIPTION

Project History/Timing/Status: Shortly after the disasterous flood of 1965, the City Council requested the U.S. Army Corps of Engineers to study and propose a solution for flood control. This study was authorized by the Flood Control Act of 1970 (P.L. 91-611). Project planning began in January 1972. Between February, 1972, and September, 1973, seven meetings were held, including City officials to discuss project alternatives and effects. Six neighborhood planning sessions were also held for the various project reaches which culminated in the "Preformulation Public Meeting" in July, 1973. The Phase I GDM was submitted to OCE in August, 1976 and approved in May, 1978. The SPAC Report on the Nahant Marsh was submitted to OCE in February, 1977, and the final EIS was submitted to CEQ in March, 1978. The final phase II GDM was completed in February, 1982. All changes noted are within the authority of the Chief of Engineers. The project is currently scheduled to be built under six continuing contracts with the dates as follows: Stage I Water Treatment Plant 03/83 to 12/83; Stage II Structural Work, I-280 to Gaines Street 08/84 to 06/86; Stage III Credit Island Pump Station 05/84 to 12/85; Stage IV Earthwork I-280 to Gaines Street 02/85 to 12/87; Stage V All work, downtown segment 10/86 to 09/88; Stage VI Beautification and Recreation 10/87 to 12/88.

Costs and Benefits: The recommended plan provides the greatest economic return for the alternatives studied and supported by local interests. However, the proposed FY-83 Federal Budget contains no funds to initiate construction. The Federal first cost of construction is estimated to be $20,844,000 with an estimated annual cost of $3,352,800 assuming a 100 year project life calculated at 7-5/8% interest. The total non-federal contribution is estimated to be $13,017,000 of which $10,166,000 will be cash. Local annual operating and maintenance costs are estimated to be $180,000. Total federal and local project costs will amount to $33,861,000.

Annual project benefits are estimated to be $485,200 in excess of the costs for the project life yielding a benefit/cost ratio of 1.17. Total annual benefits are estimated to be $4,538,600 with flood protection being (39%) recreation (20%) redevelopment (29%) protection of water supply (3%) advance replacement and detour costs (1%) and improved land use (8%).

Local Ability/Cooperation: The City has committed to furnishing all land, easements and right-of-way including relocation for the project and also is willing to contribute 35% of the flood control costs and 50% of the separable costs for recreation features. The City will finance its share of the project costs through the sale of General Obligation Bonds, which do not require a public referendum. The Corps' efforts have been supported by seven Councils as expressed in "letters of intent", the latest of which was approved on March 16, 1982. There has been bi-partisan support of the project at the local level; the City is grateful for the strong local congressional support which has been received; and participating federal and state agencies have endorsed the project's content.

After many years of formulation, the City is willing, capable and anxious to proceed with the project contained in the Phase II GDM. The merits of the project justify its implementation. However, the City of Davenport is financially incapable of undertaking the entire project by itself. State law limits the amount of debt the City can assume.

II. NATIONAL WATER POLICY

Local and regional officials recognize that flood management planning for developed areas with existing problems must be approached differently from programs applied for undeveloped areas. The Bi-State SMSA is at the confluence of the Rock and Mississippi Rivers with urban cores abutting the rivers. Carrying out national water policies in the Quad Cities, particularly with regard to flood control and urban drainage, is too complex to solve by local means. Remedial structural measures are the management techniques which are necessary to reduce property damage in developed urban flood plains along major rivers, and is particularly applicable to Davenport because the adjacent banks of the Mississippi are already structurally protected.

Due to the multiplicity of cities in the Quad Cities region, one project is complete and five are in some phase of formulation. The cities, which have all selected structural methods of flood control, regard their individual projects as integral elements of a comprehensive approach to managing the region's flooding problem. With structural flood protection completed on the Illinois banks opposite Davenport's project, it is imperative that the Iowa portion begin in order to prevent a partial, and therefore unacceptable solution. Leaving the Quad Cities with only the Illinois side protected will increase the flood in Davenport.

Congress may be discussing implementation of national water policy in this session. The involvement in these deliberations will not include local governments; yet Davenport has concluded that it can reasonably adapt to any resulting changes in national water policy, and we contend that the project is consistent with other national policies and programs. As evidenced in the following justification, the project is equitable, comprehensive and multi-faceted in its approach.

III. PROJECT JUSTIFICATION

Flood Protection: The project will provide a 200-year level of protection against frequent severe flooding for the Mississippi River. The flood problem area, consisting of 1,700 acres, has been extensively developed for industrial, commercial and transportation purposes. Developments in the area to be protected include 276 commercial properties, 88 industrial plants, 796 residences and 23 public properties. The regional water and sewage treatment plants, rail lines and U.S. Highways 61/67 (carrying up to 27,900 vehicles daily) will be protected by the flood control project. These developments have been seriously affected by past floods and continue to be vulnerable today.

Major floods occurred in 1951, 1952, 1965, 1969, 1973 and 1975 which respectively caused $1,800,000, $2,433,000, $14,644,000, $1,173,000, $1,348,000 and $2,467,000 in damages at current prices. In the event of occurrence of the design flood, $41,229,000 in damages would be avoided. Floods caused by ice jams have occurred four times in the last 100 years, most recently in 1966.

Environmental Protection: In addition to the flood control aspects, a comprehensive "River Edge" plan has been pursued to complement the existing riverfront environment. The project will primarily affect man-made environments which vary in quality. Twenty acres of low-land woods and 120 acres of acquatic environment will be affected, but two significant areas of wetland timber, an old dump and a marsh will be improved by the project. The former City dump, closed in 1972, will be reclaimed for recreation by the deposit of dredged material for topsoil cover and by mitigating the possible impact that leachate has on water quality. The Nahant Marsh property, comprising 163 acres, will be acquired locally and preserved for research, education and nature observation. The life expectancy is low if enhancement and mitigation are not pursued due to increasing urbanization in the watershed. The proposed improvements will duplicate the hydrologic processes to which the marsh owes its existence and will create a vegetative species succession returning the area from sedge to acquatic species. The preservation plan is recommended by several governmental agencies and is in accordance with the National Environmental Protection Act of 1969 and the Fish & Wildlife Coordination Act of 1958.

Environmental quality would also be significantly reduced if the regional sewage and water treatment plants were flooded, affecting over 140,000 persons in four cities and unincorporated Scott County. With the project, the domestic water supply system will not be contaminated or become inoperative or ineffective, and pollution from discharges will not affect the acquatic, wildlife and human environments. These efforts are in conformance with the Federal Water Pollution Control Act Amendments of 1972 and the Safe Water Drinking Act of 1974.

The effects of increased flood heights caused by the project on nearby communities and similar projects would be minimal because they are already protected. The level of protection is the same as the existing Rock Island project across the river, the surface profile would be raised less than one foot for one to two miles upstream of the project; flood waters will not rise below the project and in the other areas the river will assume its natural flow characteristics.

Recreation Improvement: Recreation is also a significant aspect and part of the project purpose as authorized by Congress. LeClaire Park's use in the downtown will be intensified to provide docking facilities for excursion boats, passive recreation and space for major outdoor events. A dump will be top filled to create a new 40 acre park at the same elevation as the top of the levee. An exceptional view of the river will be enjoyed by people participating in family recreation and athletic activities. The continued use of the riverfront stadium will be preserved by the project. Credit Island, a 250 acre City owned park, will be improved for uses which are adapted to flooding, since it will not be inside of the protection system. Camping and water oriented uses will be added, and an existing golf course will be improved. Finally, a 5.1 mile scenic road and bicycle path will connect the entire riverfront creating an urban parkway which could be incorporated into the Great River Road System.

The recreation facilities will allow utilization of the flood control structure by the public and provide opportunities for day use and weekend activities. This entire reach of the riverfront will for the first time be accessible, and the variety of facilities will make the riverfront attractive and useable for all ages and interest groups.

Economic Stability and Social Well Being: Community stability during flood times is disrupted by property damage, deterioration of buildings, detours of freight and traffic, lapses in employment and increases in health and safety hazards. Large sums of public and private money are needed to combat the destructive forces during floods and for cleanup and reconstruction after these events. The project will minimize the change in established land uses from that which now exists and optimize the conditions for long-term occupancy and neighborhood cohesion and stability. Stabilization of residential neighborhoods will promote "infilling" and limit "urban sprawl" which are stated goals of Title I of the Housing and Community Development Act of 1977 as amended.

With an unemployment rate of 9-15% in the Quad Cities, jobs development is a critical regional and national issue. Davenport has actively contributed to a healthy national economy. With more than 170,000 employees who work and live in the Quad Cities, our community is seeking to retain existing jobs and develop new employment centers. Besides the direct impact that the project would have on employment, 65 acres of industrial land could be developed, and existing employers would remain at their present locations. Rising costs on all fronts have forced the City's second largest employer, Oscar Mayer and Company, with 2,000 workers, to consider leaving its existing plant which is now valued at $26,000,000. This company alone is a powerful economic force in this community and the region having an annual payroll of $30,000,000 and payments to farmers in excess of $100,000,000. Of the 5,500 workers who are employed in the downtown, more than one-half are directly affected through actual or indirect displacement from their jobs during times of periodic flooding. Improvements have been deferred and major projects have been held in abeyance until flood construction funds are available.

National Urban Policy and Downtown Redevelopment: Without the flood control project, Davenport stands to lose a downtown redevelopment program that is estimated to be at least 50% greater than the construction cost of the total project even though the downtown section is less than 10% of the project length. Projected at $68,000,000 over the next decade, several of the improvements would be located in or require access from the flood plain.Due to this relationship to the river, the flood control system is absolutely essential in order to establish a cost effective setting for housing, offices, retailing, convention lodging, and parking, skywalk and ground pedestrian links. These improvements don't include, nor would they displace the $23.8 million of assessed real property in the downtown that is part of the current benefit/cost ratio of the proposed project. As one of the original 322 "distressed cities" under the 1977 Housing and Community Development Act, Davenport has experienced aged housing stock, growth and job lag. While the city as a whole has improved, the central city, which includes the area to be protected by the project, is still eligible as a "pocket of poverty". Twice since 1979, developers of the private investments needed to get approval for the city's Urban Development Action Grants, as yet they have been unable to make final financial commitments. Each project was to be built above River Drive but still in the flood plain. It is no coincidence that the added costs, such as flood proofing required under the National Flood Insurance Act of 1968 as amended, make private redevelopment more difficult. Downtown Davenport has a history of self-help, but the demands of flood control are beyond its resources. Davenport was the only large city in Iowa which did not use federal commercial urban renewal, but the Central Business District established a self-help taxing district in 1977 to fund its immediate project needs. However, rising development cost differentials between downtown and subruban sites (which are 45% to 55% less expensive to do) make the current Downtown plan the only way to reverse the current decline. Because much of this plan is oriented to take advantage of the river edge, it cannot proceed until flood protection is assurred. Other development alternatives have been investigated and do not have the economies of scale necessary to achieve the desired results.

CONCLUSION

Davenport is the largest city on the Mississippi River which remains unprotected against flood damage. Coordination must involve multi-jurisdictional planning for water resources planning. The Upper Mississippi River Basin Study and the Quad Cities Urban Study have addressed this problem in the context of flood control. Federal actions should be coordinated to avoid any adverse effects among the jurisdictions. It is the only city in the Quad Cities Metropolitan area without flood protection. Without Congressional action, the central city of the largest SMSA between Chicago and Omaha and between Minneapolis and St. Louis will see its core and chief industrial areas repeatedly damaged and begin an irrevocable decline. National policy for the last two decades has been consistently supportive of revitalization of the Central City and its urban core. The proposed project successfully merges the multiple objectives of flood protection, economic development, social well being and environmental quality. The funding of this project is consistent with these objectives and the noted national policies expressed in legislation. After careful multi-year refinement of the alternative solutions, no other federal project has been found which will contribute to the revitalization of Davenport's inner city as will this Flood Control Project.

DAVENPORT FLOOD CONTROL PROJECT—OPPOSITION

March 30, 1982
Davenport, Iowa

Senator Mark Hatfield
Senate Appropriations Committee
1322 Dirksen Office Building
Washington, D.C. 20510

Dear Senator Hatfield:

Attached is a copy of a study of comparative costs and benefits of erecting a dike versus the purchase and removal of residences in the flood plain of the Mississippi River where it flows past the city of Davenport, Iowa.

Although I prepared this study 9 years ago, and the numbers are different now, the absurdity of building a dike is still vivid. Just as the cost of houses has increased, the dike initial cost has doubled from $16,000,000 to $33,000,000 now.

Removal of the houses is a permanent solution. The evidence is strong that it is cheaper, also, in the long run. Nonresidential occupants flood-proofed their properties long ago.

I urge that--

1. The proposed dike plan be abandoned, and

2. A nonpolitical, nongovernmental consultant be hired to make an objective study of solutions to the flood plain problem in Davenport.

Most sincerely,
(s) Theodore F. Taylor

April 26, 1973

Improvements and Plans Committee
City of Davenport, Iowa

Gentlemen:

An Alternative Solution to the Flood Problem

My objective is to persuade the Davenport City Council, through this Committee, to cause the preparation and publishing of a thorough, objective study of the costs and benefits to Davenport taxpayers which would result from the purchase, by the Davenport taxpayers, and removal of all single-family homes in the 100-year flood plain of the Mississippi River where the river is part of the Davenport city limits.

The study I have made is preliminary only. Its objective was to determine if there is a basis for belief that a thorough study is justified. The preliminary study indicates that drastic savings--more than half--will result from removing homes from the flood plain instead of building levees. It indicates that this alternative has unmistakable merit and a full study should be made.

The details of this solution of the flood damage problem appeared in the Friday, April 20, issue of the Times-Democrat as a letter to the editor. A copy of this letter is attached hereto and may be summarized as follows:

I. PROPOSAL

A. Zone all the 100-year flood plain as city park land. Prohibit all non-park construction.

B. Buy all the single-family homes in the park, in annual purchases equal to the charges for the levee project. Use no borrowed money.

C. Require commercial and industrial users of the flood plain to flood-proof their properties promptly.

II. R.I. CORPS OF ENGINEERS ESTIMATES OF DAVENPORT PROJECT

	From January 30, 1973 brochure		By Projection
	1969 Estimated Initial Cost: Levees and Dam	Annual Charges* For 100 Years	Total Charges (Rounded)
Federal Taxpayers	$12,860,297	$632,340	$63,250,000
Davenport "	3,207,602	265,136**	26,500,000
Total	$16,067,899**	$897,476	$89,750,000

Average Annual Flood Damage Prevention (200-year frequency)

Existing development, including ice jams	$565,100
Future growth	400,100
Total	$965,200

* Including interest, amortization, maintenance and operation, and loss of productivity

** The April 13 issue of the Times-Democrat reports: "It is likely the total updated project cost could reach $20,000,000" and "The estimated annual maintenance cost of $60,000 may be nearer $100,000." This would increase Davenport's annual charge to about $300,000.

III. ESTIMATES BY T. F. TAYLOR

A. One-family homes in the 100-year flood plain

Number, per aerial photography and field count	550
Fair market value (based on tax appraisals)	$5,100,000
Purchase cost after increases of 25% for inflation and of 10% for an involuntary sale	$7,000,000

Years required to complete purchase of homes on a pay-as-you-go basis (no borrowed money):

$$\frac{\$7,000,000}{\$265,136/\text{year}} = 27 \text{ years}$$

B. Unimproved land

The $7,000,000 does not include unimproved land or land being farmed.

C. Cost comparison

$$\frac{\text{Buy and remove homes from flood plain} \quad \$\,7,000,000}{\text{Build levees-and-dam project} \quad \$16,067,899} = 44\%$$

Removal of homes costs less than half as much as building levees!

There are significant and permanent benefits in addition to the lower cost noted above. Included are

1. Permanent prevention of flood damage to homes
2. Elimination of periodic and sometimes emergency efforts to evacuate people and their possessions
3. Elimination of maintenance and operating costs of pumps and other facilities required by levees
4. Reduced cost of maintenance by elimination of many of the streets, sewers and sidewalks now in the flood plain
5. Enhance the beauty of the river front
6. Establish an area for a major city park extending half the length of the city
7. Create a green belt to improve the area ecology
8. Create extensive opportunities for landfill
9. Add to the local reservoir of ground water
10. Reduce the crest of floods downstream from Davenport

In addition to these benefits, there are other considerations: People who, in their own freedom of choice, have established homes in the river--of which the flood plain is a part--would have to relocate. Extra payment to them would be appropriate because their relocation would be involuntary. Further, there might be an implied recognition that through the years a series of actions by many Davenport City Councils approving homesites in the river were perhaps unwise.

COMMENTS BY OTHERS

Excerpts from "Flooding: What's The Solution?" by Dr. A. F. Spilhaus, World Book Encyclopedia Science Service, as reprinted May 9, 1965, in the Davenport Times-Democrat:

"...anyone can predict springtime high water on a major river. After every such disaster, the public asks why something is not done to prevent a recurrence. Something is done--but we do the wrong things and we do not do the obvious right thing."

"The building of levees is the usual solution, despite the fact that levees merely increase the flood by confining the water, raising its level and pushing the flood more destructively down stream. In order to reduce the height of water you must let it spread out."

"The rivers aren't acting in any particularly unnatural manner....What has happened that is unnatural is that the cities are flooding the river beds, not that the rivers are flooding the cities....The sensible thing is to keep out of these ...threatened areas. To zone, to condemn--with proper reimbursement--...is the only logical solution to the problem. We no longer need to live in the flood plains as we did when the city was a village....Condemnation with proper compensation would solve the problem for all time."

Excerpts from "A Plan To Use Our Floods, Not Fight Them," by Mr. J. N. Miller, page 21 of the March, 1973, issue of Readers Digest:

"Like most rivers, the South Platte consists of a visible part and a part that few people are capable of discerning. The settlers saw just the obvious part, the channel, and they built their houses on the broad, sloping valley that spread out from its banks. This was the river's flood plain and, while almost always dry, it was actually as much a part of the river as the channel itself. Indeed, flood plains are among the most vital of a river's natural mechanisms....These plains operate year in and year out, even when dry."

"First...the plain spreads the water out over a wide area, thus slowing the flow, preventing erosion and acting as a giant settling basin for the valuable topsoil.... Second, the plain acts as a massive storage tank, feeding the flood into the ground water supply. Finally...the plain evaporates this ground water back into the sky.... Floods are one of nature's most benign and creative acts. It is only when man builds in them that they become disaster areas."

"Out of the city's search for an alternative emerged what became known as the Littleton Plan. The basic idea was simple...Littleton would buy the green patch and turn it into a park. What was new was one suggested source of the $1.4 million needed to buy the land. Some would come from conventional sources...but the biggest single chunk--$564,000--would come from the Corps of Engineers. This was the amount that the Corps would save by not having to channelize the river."

"...the establishment's reaction...was not surprising: 'It is our opinion that there are no alternatives worth studying,' said the Director of Colorado's Water Conservation Board."

"Until two or three years ago, the Corps' standard response to the Littleton kind of protest was to ignore it....This tactic has involved the Corps in 24 stop-construction lawsuits around the country, and the agency has been getting increasingly nervous about the steamroller image this conveys....Littleton...voted to borrow the $400,000 needed for their share of the land purchase....Two months after the vote...under continuing pressure...the Corps...conceded that the plan made eminent sense, both economically and hydrologically, and agreed to testify in its favor. And last October...Congress approved the unprecedented transfer of funds from construction to non-construction. Although...later vetoed...as being inflationary, everyone is confident that, whatever revised form it takes in the new Congress, the Littleton Plan will survive...."

"...the government is legally required (by the 1969 National Environmental Policy Act) to examine all possible alternatives. So demand that the agency in charge study the possibility of buying instead of destroying the flood plain....Thanks to Littleton, the decade of the 1970's could mark the end of the lunatic practice of building our houses in the rivers."

STATEMENT OF LEO P. ROOFF, MAYOR, WATERLOO, IOWA

I am Leo P. Rooff, the Mayor of the City of Waterloo, Iowa. I reside at 510 Frederic Avenue, Waterloo, Iowa.

I am accompanied today at this hearing by Dale C. Mercer, 1130 Ora Drive, Waterloo, Iowa, a member of the Water Resources Congress and Administrator of Waterloo's Community Development Board; and Fedon N. Petrides, 3507 Augusta Circle, Waterloo, Iowa, President of Brice, Petrides & Associates, Inc., consulting engineers, who have prepared statements for the record. Messrs. Mercer and Petrides have been closely involved in our Flood Control effort since its inception.

We are pleased to have the opportunity to appear before the committee to inform you of our activities, our needs in the area of flood control, and to answer any questions you might have regarding our Local Flood Control Project.

The City of Waterloo experienced two of the most serious floods in its history brought on by a rainfall deluge in June and July 1969, during which millions of dollars worth of property was damaged and the City was placed in serious economic jeopardy. In 1961, 1962, 1964, 1965, and again in 1968, the City of Waterloo was declared a major disaster area by Presidents Kennedy, Johnson and Nixon. Millions of dollars in emergency Federal financing has been poured into the City during these years to supplement the local expenditures involved in the flood recovery effort. During these tragic experiences, the morale of our people was high and the cooperation of the Federal and State officials was outstanding. The events of the summer of 1969 brought home the necessity of accelerating Public Works and Capital Improvements Programs to be coordinated with the Local Flood Control Program.

In comprehensive discussions carried on with the U. S. Army Corps of Engineers and with other experts in the field of flood control, we concluded that the best tools available to the City of Waterloo in carrying out a flood control program to a successful conclusion, would be to combine it with an Urban Renewal Program, extensive water and sewer installations, a flood plain management program, an increased park and open spaces project, and revitalization and reconstruction of our center city on either side of the Cedar River.

The principal reason we advanced the two programs of flood abatement and urban renewal simultaneously is that from the point of cost effectiveness the development of both programs would permit a level of planning and execution that would be most helpful to the locality and would provide the best utilization of local and Federal funds. Coordination of these two unique programs prevented duplication of efforts.

1981 was a year of continued flood control activities by the Army Corps of Engineers. Additional contracts were awarded by the Corps of Engineers bringing the total to $40 million for the project to date. Private development as part of the Local Flood Control and Redevelopment efforts continued. Already the 126 acre industrial park which is a part of the unique program is producing environmental gains seldom achieved through standard industrial programs of this magnitude. Altogether 1000 acres of park land, most of it in the flood plain, has been retained for permanent public use.

The citizens of Waterloo join me in thanking you for this invitation to appear as "outside witnesses" in support of a request of continued construction appropriations for the Waterloo Local Flood Control Project. Approximately 87 percent of the project is either under contract or completed. The City is continuing the acquisition of right of way to enable the Corps of Engineers to maintain their construction schedule.

In recent years the City has experienced frequent severe flooding of Blowers Creek, a tributary to the Cedar River. The Corps of Engineers, Rock Island District, recognized the threat Blowers Creek flooding would be to the Local Flood Control Project. A study recently completed by the Rock Island District is now under review by the Corps of Engineers' higher authorities. We expect the Corps of Engineers proposal, which will strengthen the Local Flood Control Project by providing protection along Blowers Creek, to reach Congress during late 1982.

The City of Waterloo is proceeding well in advance of the proposed Local Flood Control Project contained in Housing Document No. 166, which is a letter from the Secretary of the Army to the Committee on Public Works and adopted by the Congress on October 27, 1965 and signed by the President on November 2, 1965.

The City has entered into an ambitious flood plain management program with the Department of Housing and Urban Development, the Iowa Natural Resources Council, the U. S. Army Corps of Engineers, and the Waterloo Board of Park Commissioners. All of the flood plain area of some 600 acres along Black Hawk Creek has been acquired to prevent future encroachment into the flood plain and is being preserved for park and open spaces use.

Mr. Chairman, I know of no program that has given us more satisfaction than this large-scale redevelopment opportunity for the City of Waterloo. In our opinion, it demonstrates that when local interests embark on bold and imaginative plans and exercise strong local control, the result will be maximum benefits to the Federal and Local Governmental bodies and citizens.

We have repeatedly reassured the Government and the U. S. Army Corps of Engineers that we will meet all the local requirements for flood control construction. Well over $10 million has been earmarked for this purpose. Land acquisition has been impressive and has been coordinated with the planning of various Federal agencies. Numerous local bond issues have been approved by local voters in the last 14 years. This illustrates the fact that community-wide programs of health services, new schools, new fire stations, and recreational facilities and library, have been favored by the voters to match the ambitious public works and industrial expansion programs being financed in part by Federal programs and private enterprise.

With 87 percent of the Waterloo project either completed or under contract, we are concerned that the Flood Protection Project remain on schedule and completed at the earliest date feasible. The need has been graphically demonstrated with the Cedar River, Black Hawk Creek, and Blowers Creek exceeding flood stage several times in recent years. The awareness of potential flooding causes us to be grateful to Congress and the Corps of Engineers for the work that has been completed on schedule.

Mr. Chairman, it is imperative that we keep this project on schedule. We believe that our requests have been reasonable and timely. The project has received national attention because of the unique manner in which several Federal agencies, the State of Iowa, and the City of Waterloo have been able to coordinate their work. With this in mind and in the public interest, we respectfully request continued inclusion of the Waterloo Local Flood Control Project in the U. S. Army Corps of Engineers Capital Improvements Program.

STATEMENT OF FEDON N. PETRIDES, MEMBER, WATER RESOURCES CONGRESS, WATERLOO, IOWA

My name is Fedon N. Petrides and I reside at 3507 Augusta Circle in Waterloo, Iowa. I am an engineer for the Waterloo Community Development Board and a member of the Water Resources Congress. I am appearing to answer any technical questions pertaining to the flood control, community development, inner-city transportation and other local projects that have been coordinated to provide a unique and widely supported project for Waterloo.

I am pleased to submit to your committee this prepared document in support of the statements of Mayor Rooff of Waterloo, Iowa, and Mr. Mercer, Community Development Administrator. The feeling of other groups and individuals that have indicated a tremendous support for the Waterloo Flood Control Project are also reflected in the statements.

The City of Waterloo has contributed to the coordinated effort with the U. S. Army Corps of Engineers (Rock Island District) by funding a Central Business District Planning Study, Dry Run Creek Flood Control Study, Blowers Creek Flood Control Study and studies of other drainage areas in the City. Community participation and input were received as part of these studies through meetings and surveys for the planning of the flood control works. The City has also complemented the Federal flood control project by construction of a locally-funded multi-million dollar storm sewer detention flood control project on Dry Run Creek to control "behind the levee" flooding.

Several alternate flood control concepts were evaluated with input provided from community-wide and "interested citizen group" meetings. As a result of the Central Business District Planning Study, a very aesthetically desirable concept, acceptable to the community and the U. S. Army Corps of Engineers, was developed for critical areas of the flood control works. This concept blends the proposed works with the other downtown improvements. Six new locally-funded bridges which are a part of the flood control-urban renewal plan have been completed. These bridges replaced old, low-arch bridges which were an obstruction to floods. An additional new bridge is currently under design. The design of the bridge and Flood Control device at the site of the bridge is being closely coordinated with the Corps of Engineers.

The Waterloo flood protection facility has been designed to join with the flood control project under consideration for our neighboring community of Evansdale. Coordination of the Evansdale and Waterloo Flood Control Projects provides a continuity that will reduce the cost of the projects. This joint and continuous concept of flood control is a long-range cost effective solution we support.

To conclude, Mr. Chairman, I join with other witnesses in support of this project by asking the appropriation of construction funds as soon as practical to continue construction of a project unique in concept, performance, and public acceptance. We are prepared now, as we have been in the past, to cooperate with the U. S. Army Corps of Engineers to accomplish this goal.

Your favorable consideration of the funding request will prevent loss and damage to property, danger to human life and other suffering that so many times has plagued our community during floods.

Thank you for the opportunity to present my statement to this committee.

STATEMENT OF DALE C. MERCER, ADMINISTRATOR OF COMMUNITY DEVELOPMENT, WATERLOO, IOWA

Mr. Chairman, my name is Dale C. Mercer and I reside at 1130 Ora Drive, Waterloo, Iowa. I am the Administrator of Community Development for the City of Waterloo. I am appearing today in support of Mayor Leo P. Rooff on behalf of the Waterloo Local Flood Control Project. I am a member of and on the Board of Directors of the Water Resources Congress. The Water Resources Congress, as in the past, continues to whole-heartedly endorse the Waterloo Flood Control Project.

We have been informed that the U. S. Army Corps of Engineers has a capability to gainfully use the appropriation request for Fiscal Year 1983 of $1,253,000 provided in the proposed Budget for continuation of construction of the Waterloo Project. The City has authorized the necessary local funds and has the administrative skills to collaborate with the Corps of Engineers in our flood control effort.

Mr. Chairman, with this in mind, my statement will serve to complete the record of the progress made to date in planning and executing a huge redevelopment and flood control program of significant benefit to the City of Waterloo. The Flood Control-Community Development Project being accomplished in Waterloo has been cited nationally for economic and social betterment in a metropolitan area while reducing local, State and Federal costs.

To date, the Waterloo Flood Control and Redevelopment Agency has made the following progress:

(i) Purchased 772 parcels of land for a dollar amount of $10,926,800. Relocated 513 families and 117 businesses from the flood plain.

(ii) Arranged for and provided direct assistance to families and homeowners desiring to rehabilitate their property.

(iii) An Urban Development Action Grant was recently approved for redevelopment of a part of the Central Business District in the amount of $3,318,500. This has generated over $16,500,000 in private redevelopment. A portion of the private redevelopment was contingent on the Corps of Engineers construction of the flood wall and the City constructing a new bridge. The coordination of and joint funding by the Federal Government, City and private sector is underway.

(iv) Construction of an ambitious $3.5 million HUD financed Water and Sewer Program coordinated with flood control and community development activities to improve life for all of our citizens has been completed.

(v) Cost of private industrial development, resulting from the combined Flood Control-Community Development projects, either completed or for which commitments have been made, is valued at more than $142 million.

(vi) The City of Waterloo has been certified as eligible for Federal Flood Insurance.

(vii) The City and Private Sector have combined to form a Redevelopment Authority for the purpose of redeveloping the downtown. This redevelopment plan will involve new buildings, rehabilitation of existing buildings, public improvements and private development to be coordinated with the Flood Control devices through the downtown area.

(viii) Residents along Dry Run Creek have been subject to frequent flooding. The City completed one stage in the flood control project for Dry Run Creek using City funds at a cost of $255,000. A combined effort of the Corps of Engineers and the City provided additional flood control protection for Dry Run Creek residents resulting in cost savings to the Corps of Engineers and the City of Waterloo.

(ix) The U. S. Postal Service recently occupied a new $4 million postal facility adjacent to the flood wall. Coordination between the Corps of Engineers and the Postal Service resulted in savings to the Federal Government.

(x) Assumed maintenance responsibilities of those stages of the Flood Control Project that have been completed.

We have appeared before this distinguished committee in previous years and outlined the goals and objectives which we had set for ourselves with the cooperation of local, State and Federal agencies. Many of these objectives have been attained. We have demolished and rebuilt six flood producing vehicular bridges at a level in excess of the 100-year flood requirements on the Cedar River and Black Hawk Creek at a cost of $7,267,073.

The total local expenditure in public works alone that are directly or indirectly connected to this ambitious flood control and redevelopment program is $35,150,000. We point this out only to assure you that, in addition to the purchase of a considerable amount of the necessary right of way for the flood works, we have proceeded with a total community-wide redevelopment effort using non-Federal funds.

Acquisition and project improvements programs must be carefully correlated with flood control design and construction activities. The activities of each program are carefully staged in advance to assure funding availability, eliminate construction conflicts, and institute coordinated design and development results.

Mr. Chairman, I join those who have submitted statements and testimony in support of this project by asking that funds for the continuation of construction now underway be appropriated as part of the 1983 F. Y. Budget. The Waterloo project, combining redevelopment with flood control, is unique in the Nation. Continued funding will assure proper timing, coordination, and could save the public appreciable expenditures in producing the desired beneficial effects. We sincerely appreciate all the assistance provided us. We believe it has been demonstrated the project has considerable merit.

In conclusion, I would remind the Committee of the serious detrimental effects experienced by the citizens of this region because of the frequent floods resulting in millions of dollars worth of property damage and untold human suffering. We believe that a solution to the past history of economic and human loss can be corrected if additional construction funds for the Waterloo Local Flood Control Project are appropriated during this fiscal year. We are fully prepared to cooperate to achieve these purposes. In so doing, we support the objectives of the President and Congress in the development of the F. Y. 1983 Budget.

Statement of Watershed Associates Rescue

Please refer to Live and written testimony given in March 1981. The secretary to the Watershed Asscoiates Rescue (W-A-R), Sarah Camden, testified in opposition of this project in Washington, D.C. in March 1981. The previous testimony is being reiterated. And though we have had no word from the Senate, the House or the Justice Dept. We want you fully apprised of both sides of concernes of Unit R-616.

The position of the W-A-R remains the same. This project is and has strongly been opposed by area residents since February 1975. The $1,057,000.00 expenditures were expended by the Papio Natural Resourses Dist. after that date. Each and every member of the W-A-R again ask that NO FEDERAL FUNDS be allocated for the R-616 project, not only to the Corps of Engineers but also to the Papio Natural Resourses Dist. We feel strongly that the Papio N R D, should not have requested this funding for the Corps, since it is still in litigation. (R-616)

The courtesy shown Sarah Camden, Secretary to W-A-R in 1981 was much appreciated. A definate NO to the request for R-616 funding by the Papio NRD would be even greater appreciated.

The city of Bellevue has not discussed this project in over a year, and I am not throughly convinced that they are as adamant as they were originally were in 1975.

The R-616 project WILL NOT protect 3950 acres of Missouri River floodplain -

(a) Omaha Papillion Creek sewage treatment plant is protected with a levee surrounding it/

(b) No part of Offutt Air Force Base, headquarters of the Strategic Air Command, will gain any protection from this levee unit, as implied by the Papio NRD. Offutt's runway has been elevated over the years and is not in any jeopardy. There is also some levee protection there, (adequate protection). IF Offutt were EVER to be threatened by flooding from the Missouri River during a severe flooding situtation, If such a thing could occur, No R -616 levee would protect Offutt or any of the area. And the likelyhood of that ever happening is next to nill.

Again, W-A-R opposed R-616 as of February 1975, Papio NRD in March 1977 signed an agreement with the Corps of Engineers to sponcor the project, knowing full well it was an opposed project. The area residents were treated with little to no consideration in this project matter.

We feel, it was completely negeligent of the Papio NRD to sign an agreement with the Corps when they were fully apprised that we, of the W-A-R would fight the unneeded, unwarranted and unnecessary project. We, of the W-A-R, donot accept the responsibability for foolish expenditures by the Papio NRD.

The Papio NRD is interested in flood control, recreation, wildlife habitat, and industrial developement in the R-616 area. Disregarding the unincorportated area residents residing here now, and for the past many years. Grandfather rights are an assett here in this area, but it will do us little good without your help. Human life also has a right for your assistance and protection. We, implore you, Please come to our aid.

We urge that you deny any appropriations in ANY sum regarding the R-616 Levee system project.

The Corps has not complied with the requirements of the Executive order 11988.

Major points of interest:

(1) The area of the Missouri River floodplain, as a result of construction of the system,will be reduced from 746,000 acres to 93,100 acres below Sioux City and above the mouth of the Platte River and from 1,921,700 acres to 473,700 acres within the reach from Sioux City to St. Louis.

(2)Units R-616 and Unit L-611-614 have in the past gone from "Active" to "Inactive" status and back to "Active" status, and became "Active" most recently in 1973. (Testimony of Frank Voss, Army Corps of Ing.)

(3) Construction of Unit R-616 will induce development of the Missouri River flood plain in the area protected by the levee. Ind. development cannot, will not help nor aid wildlife habitat.

(4) Construction of Unit R-616 not having begun, the potential environmental impacts of the project have yet to occur.

(5) No evidence shows that the Papio NRD cannot recover the sums it has expended for real estate and rights of way for Unit R-616.

In conclusion, WE request, NO FEDERAL FUNDING FOR MISSOURI RIVER LEVEE SYSTEM R-616 BE ALLOWED. We, also request, DE-AUTHORIZATION OF THE R616 project.

Statement of Thomas E. Dustin, Executive Secretary, Indiana Izaak Walton League

This letter is written for the Record of hearings being held on the energy and water resources appropriations for Fiscal Year 1983. While we realize no Administration request has been made for the still-authorized Lafayette Reservoir in west central Indiana, the Indiana Izaak Walton League wishes to continue its position opposing any funds for any aspect of that project.

As would be known in the Congress, the State of Indiana, with our full support, several years ago repealed its agreement to participate in this Corps of Engineers project. Moreover, the Indiana Department of Natural Resources has designated Wildcat Creek (the stream which would be affected by construction of Lafayette Reservoir) under the state's Natural, Recreational and Scenic Rivers Act--again with the full support of our organization. Several times, the deauthorization of Lafayette Reservoir has been the subject of Federal legislation, and we continue our support for such deauthorization.

Wildcat Creek is one of the finest remaining natural streams in Indiana; and the proposed Corps of Engineers project is completely contrary to preservation of those qualities. It is further our understanding that a review of the economic feasibility of the impoundment by the Corps indicates the ratio of benefits to cost at far below unity, with a project cost in the vicinity of $180,000,000, and benefits about half of that.

I should elaborate that this letter represents the official position of the Indiana Izaak Walton League, a state Division of the Izaak Walton League of America, which includes 5,700 members in 36 chapters located throught the State of Indiana. It is requested that this letter be printed in the Record of hearings on this subject. Thank you.

STATEMENT OF RANDOLPH COUNTY (N.C.) PEOPLES OPPOSITION TO THE RANDLEMAN DAM

We wish to join with our Randolph County Comissioners in going on record as opposing the funding for and construction of the Army Corps of Engineers proposed Randleman Dam Project. As the Commissioners point out in the resolution passed 3/22/82, the project does not make good economic sense.

We believe that if the members of your committee examine the tremendous costs of this project relative to benefits, you will join us in the opinion that the project should go no further.

First let us look at the costs to taxpayers. The estimated cost of the project, if it begins in 1984 will be $159 million for construction alone. After this cost follows costs for pumping and treating water, maintenance of roads, recreation area and the dam structure itself, loan financing costs, and increased costs for public services such as police, fire and sanitation.

We have no reason to believe that these costs will not escalate for our taxpayers. In the years since this project was first authorized the estimated costs have doubled and now tripled. We also have noted the Secretary of the Army's request that specific figures no longer be included in the letter of intent contracts that our local governments are being asked to sign on the project. As the chairman of our County Commissioners concluded, "We are being asked to sign a blank check and take all the risks."

The present Corps proposal has our local governments coming up with $62 million in up front money over the next 7 years. In our county this would mean increasing taxes by as much as 30¢/$100 valuation. It would mean spending as much per year on this dam and recreation project as we can now afford to spend on our whole school system.

On one hand the project will increase our taxes at all levels. On the other hand it will remove 10,300 acres from our county tax base and the majority of the 600 displaced residents from our tax rolls. It does not seem fair to us to both increase our taxes and increase our losses at the same time.

Secondly, let us look at the costs to our community and region. The project will take out of production more than 3000 acres of the finest prime farmland in the state. This area produces 3% of states dairy products. Farming has been the lifelong occupation of these community residents for five generations. Our whole community will be disrupted and the quality of life damanged for all time. We think that our traditional values and rural enterprise have been the backbone of this country and should be preserved rather than demolished in the name of "progress".

Finally, let us look at the questionable benefits of the Randleman Dam project.

For some time questions have been raised about the project as the best alternative for a water supply source. In 1978 the Environmental Advisory Committee to the Guilford County Commissioners reported, "Construction of a large reservoir immediately downstream from substantial sources of municipal and industrial pollution is a very questionable undertaking...The Corps of Engineers, in obvious recognition of serious water quality problems in the Randleman Reservior, has designed a piping system, by which effluents from High Point, Jamestown, and Sedgefield, and various industrial plants will be shunted to point downstream of the reservoir."

We wonder if years of heavy metal and chemical dumping can be cleaned up. We are concerned that the expensive pipeline will be a lurking hazard for years to come.

Along with our County Commissioners we question whether this huge project is the appropriate solution to regional and local water needs. The two small towns in our county which would receive water from the dam have other alternative and cheaper sources. Guilford County has not grown at the projected rates and Guilford citizens increasingly question the wisdom of accelerating growth at the sacrifice of the quality of life.

We agree with our Commissioners that conservation practices, use of smaller reservoirs, and acquisition of low water using and water recycling industries are some good alternatives.

Certainly we believe that permanent disruption of a community and the destruction of an independent way of life for many of our citizens is not justified by a need for yet another recreation area.

We recommend that your committee vote to exclude the Randleman Dam Project from your 1983 budget proposals and instead allow locla governments to explore sensible and economical alternatives with local means.

STATEMENT OF STATE REPRESENTATIVE ORVAL C. HARRISON OF UTAH

This letter is to request of the Subcommittee on Energy and Water Development that it hold hearings in Utah regarding the Central Utah Project (CUP).

My specific concern does not go to the merits of the CUP, but rather to the manner in which the Central Utah Water Conservancy District conducts its affairs. The CUP is controversial. There is compelling evidence that the Central Utah Water Conservancy District has conducted its affairs in such a manner as to ignore the citizens and taxpayers of Utah in favor of special interest groups. A forum in Utah is urgently needed to permit expression of views from the full spectrum.

Please permit me to list specific concerns which show a marked indifference to the citizens and taxpayers of Utah.

Members of the Board of Directors of the Central Utah Water Conservancy District are appointed by judges of the Fourth Judicial District Court. This Board has the power to and does levy taxes. Opinions from the Utah Attorney General and Legislative General Counsel have cast considerable doubt as to the constitutionality of this method of appointment under the Separation of Powers Doctrine found in Article V, Section I of the Constitution of Utah. In fact, the District's own counsel, in an opinion dated June 19, 1981, stated:

> "The courts' decision in Rampton v. Barlow certainly creates a concern that the court will hold that the appointive power rests with the Executive Branch and that the delegation of that power to the District Court offends the separation of powers doctrine pronounced in Rampton v. Barlow..."

Aside from its legal aspects, the method of appointing Board members is inherently inequitable. Seven of the 12 counties within the CUP, including populous Salt Lake County, are not within the Fourth Judicial District. Salt Lake County has five of 19 Board members (26%) and yet paid 71% of Central Utah Water Conservancy District taxes in 1980.

When considering proposed water development or distribution, the operation of the Central Utah Water Conservancy District is similarly inequitable. As indicated previously, Salt Lake County paid 71% of Central Utah Water Conservancy District taxes in 1980. Yet, Salt Lake County is scheduled to receive only 17% of CUP water. Garfield County is in far worse condition. Residents of Garfield County pay Central Utah Water Conservancy District taxes, but there exists no plan or proposal for delivery of any CUP water to Garfield County.

The recited figures have been taken from a study made by the Legislative Analyst of the Utah Legislature. A copy of that study is enclosed.

Despite this patent undemocratic functioning of the Central Utah Water Conservancy District, its directors, employees and beneficiaries have vigorously resisted any change. Even modest changes proposed before the State and LocalAffairs Committee of the Utah Legislature (which I chair) were resisted in appearances by Central Utah Water Conservancy District personnel. Employees of Utah State University who appeared before my committee as private citizens in favor of change were subjected to reprisals through the office of the president of that University.

There is also public concern in Utah regarding substantial modification of the 1965 Repayment Contract between the Bureau of Reclamation and the Central Utah Water Conservancy District. Neither Congressional reauthorization nor voter approval of the modified repayment contract has been obtained. In fact, the Central Utah Water Conservancy District has gone to great lengths to avoid presentation of a new repayment contract to the voters of Utah.

Because of my political persuasion I am not one to readily call upon the Federal Government to solve state or local problems. However, in this instance massive amounts of Federal money have given the Central Utah Water Conservancy District political influence which is not easily countered by citizens and taxpayers. The Central Utah Water Conservancy District has extensively used its financial resources to lobby and influence opinion. (Fifteen Utah State Representatives and Senators have recently requested a performance audit of the Central Utah Water Conservancy District with emphasis on lobbying, manipulation of public opinion with tax revenues, and conflicts of interest of Board members.)

My request is simply that your subcommittee hold hearings in Utah to provide a forum for a free and open discussion of the CUP. Your consideration of this request would be greatly appreciated.

CENTRAL UTAH WATER CONSERVANCY DISTRICT

Fourth Judicial Dist.	County	Board Representative (2)	County Population	Assessed Valuation FY 1980	Mill Levy	CUWCD Taxes Collected Cal. 1980	Income From Water Sold 1980	Presently Developed Water Ac/Ft	Proposed Project Water Development Ac/Ft
x	Duchesne	Leo H. Haueter Melvin B. White Lynn C. Winterton	12,920	$ 131,433,297	1.90	$ 239,608	$14,535	21,400	65,700
	Garfield	Virge N. Brown(1) P. Waldo Warnick(1)	3,720	13,336,404	1.14	5,403			
x	Juab	R. Roscoe Garrett	5,630	19,566,332	1.94	58,042			46,000
	Millard	P. Waldo Warnick(1)	9,170	35,567,118	1.96	69,187			15,300
	Piute	Virge N. Brown(1)	1,350	5,117,318	1.96	9,761			100
	Salt Lake	Robert B. Hilbert C. Rell Swensen Hugh C. Bringhurst Genevieve Atwood-Ferrari Charles W. Wilson	636,470	2,541,078,843	2.00	5,235,340			70,000
	Sanpete	P. Waldo Warnick(1)	15,000	48,280,178	2.00	37,687			2,100
	Sevier	Virge N. Brown	15,110	64,015,012	1.97	67,753			10,800
	Summit	Thomas I. Baum(1)	10,630	2,649,324	.92	1,773			2,900
x	Uintah	L. Y. Siddoway LaRue Pickup Dave Rasmussen	21,220	101,280,048	1.91	322,505		22,600	56,600
x	Utah	G. Marion Hinckley Dave McMullin Eleanor S. Olsen	224,660	546,995,995	1.96	1,237,589			124,000
x	Wasatch	Clyde Ritchie Thomas I. Baum(1)	8,800	20,774,545	1.94	50,292	5,050		11,300
Total			964,680	$3,530,094,414		$7,334,940	$19,585	44,000	404,800

(1) Serves more than one county.

(2) There are 19 Board members appointed for a three-year term. One-third are appointed each year.

There is presently no water diverted from one county to another. The completetd project is expected to result in the development of 258,400 acre feet in the Uintah Basin and 146,400 acre feet developed in the Bonneville and Sevier River Basins with a trans-basin diversion of 136,600 acre feet.

Statement of Dorothy Harvey, Executive Director, Intermountain Water Alliance

Information supplied here is the basis for our recommendation that no additional funds be granted for development of the Central Utah Project (CUP) without public hearings in the counties in Utah already taxed since 1965 for this water supply.

The Bonneville Unit, CUP, the largest and most complex Unit, is still less than 17% completed and costs of its completion are projected to be five times what only 30,652 voters out of 32,857 voting agreed to support in 1965.* Costs of CUP water to municipal and industrial users are already projected to be at least four times what they pay now - undelivered and untreated. And, even though the CUP may turn out to be a White Elephant whose costly water people may not be able to buy, a Referendum opportunity for the public to indicate their continued support for the Project is purposely being delayed.

We are requesting that hearings be held in Utah, however, because most of the public we talk to in the Salt Lake Valley - from all educational and economic levels - do not know what the CUP is all about: whether it is still necessary; or if their tax dollars can be used better for development of available and closer water supplies.

This public ignorance of vital facts about the Central Utah Project is a consequence of years of a P.R. "big sell" by CUP proponents combined with no adequate administrative State or Federal effort to involve the public in all kinds of water management technologies available in arid southwestern States.

Issues Not Adequately Explained or Understood by the Public

- that their water supply from CUP, being based on Utah's claim to 23% of Colorado River and transported across the State - rather than on the natural hydrology of the region around Salt Lake Valley/Bonneville Basin where they live - is a far more costly supply than needed. There already exists a larger source of water in the Bear, the Weber, and the Jordan River Systems flowing into the Great Salt Lake (1,690,000 acre feet annual flow) than is the amount of the State entitlement to the Colorado River (1,420,000 acre feet, approximate, allowing for miscalculation in the Compacts allocating Colorado River to the seven Basin States).

- that adequate sources of surface and ground water exists in these Systems, which, being closer to users, can be developed at less cost than CUP water.

- that the reasons these closer and available sources of water have not been explored and developed in the best public interest (cost efficient water management) is that Federally developed water (CUP) has to be marketed first whatever the cost.*

- that they do not require unlimited quantities of high quality mountain river water to meet all their needs for municipalities, for industry, and for irrigation. 40% of municipal water use in Salt Lake Valley is for outdoor watering - lawns, gardens, golf courses - which can be serviced from lower quality water available locally at far less cost.

  Not all industry requires unlimited quantities of high quality water from rivers to be used only once and at the high cost of transporting it from mountains across the State.

  Irrigators do not require such high quality water transported at such cost out of the Colorado River drainage to southwest Utah. This is indicated more dramatically since the needy farmers in that Delta area who were targeted to receive CUP water, recently sold 40,000 acre feet of their water to Intermountain Power Project at $1,750 per acre foot. If CUP water supply comes on line, it will likely be sold to farmers there for under $5 per acre foot.

- that the Central Utah Water Conservancy District (CUWCD) withdrew the Supplemental Contract (1980) with the Federal government when told by the Department of Interior that the public would have to be told what Bonneville Unit municipal and industrial (M & I) water would cost them (possibly $369 per per acre foot and three quarters of a billion dollars in repayment).

- the strategies the Bureau of Reclamation and the CUWCD are now using to complete a portion of the Bonneville Unit, (the Strawberry Collection System), without negotiating any Contract now or holding any public Referendum now. They are using terms of the 1958 Water Supply Act which allow delay of repayment of 30% construction costs until the water is delivered to M & I users.

* that projected costs of CUP water do not include costs of delivery and treatment - whatever the use.

- that part of this Federal CUWCD strategy entails delaying development of the 60,000 acre feet of M & I water until sometime in the future. This means that M & I water users do not know if, when, where or at what cost they will get their water - which was part of the original justification for CUP construction.

  Salt Lake City water users are not informed that the city does not need the 20,000 acre feet of M & I water being applied for from CUP. The city bought adequate water rights at cheap prices years ago but is selling its present water supply for the development of outlying communities who would have to obtain and pay for higher priced water.

- that the CUWCD plans to get legislative authority to participate with the Federal government in developing power from the Diamond Fork Power Project of CUP and being able to market this power to repay M & I costs. This is not Federal policy for repayment of municipal and industrial water in Reclamation development.

  They are uninformed that implications of this action is probable higher utility rates and competition with local utilities.

  They are uninformed that regional demand for power has declined since Diamond Fork Power Project was originally planned; that other competing power projects will be supplying electric power; that there may be no need to develop the Diamond Fork Power System at such cost to taxpayers.

- what portion of the CUP costs must now be shared by the State under the New Federalism or where such monies will come from in the magnitude required. They do not know what such increased State costs entail for them and they have no say in continued support or non-development.

- that Colorado River water is needed in the Colorado River for energy development and growth in that area far more than it is needed for western Utah.

- that destruction and/or depletion of water in 9 Uinta Mountain Range fly fishing rivers, rare in Utah, and severe losses of wildlife acreage in these river drainages, as well as losses of recreation associated with this mountain slope area adjacent to proposed High Uintas Wilderness - may be unnecessary.

- that the posture of continued support for completing CUP by some elected officials is only a fiction. These officals who may have supported CUP development earlier on - when alternatives were not determined or considered, when CUP costs were not so high, when State cost sharing in water development was not required, and before eastern Utah energy development became a serious issue - do not know how to turn around their positions without committing political suicide.

Since its inception and the signing of the 1965 Contract on the Bonneville Unit by only a small number of taxpayers, there has been a series of actions to get concerns about the Central Utah Project addressed. These include -

- concerns over enormous and cumulative destruction and loss of fish and wildlife habitat in the 9 river drainages involved in CUP development on the south slopes of the Uinta Range. It took nearly 15 years for fly fishermen and others to acquire minimum instream flows to preserve some of the fisheries in some of these rivers. This still has to be implemented.
- concerns over geologic problems dam safety, and inadequate geologic preparation resulting in 2 and 3 year delays in construction and high cost overruns on almost all CUP projects. The Bureau has still failed to have an independent geologic review of the Upper Stillwater damsite - even though it is in the area of a fault line and seismic activity noted since 1922 and most recently in September 1977. Delays in Jordanelle Damsite planning and construction are due to geologic problems and possible inundation of mining developments from the reservoir.
- concerns over the economics of Bureau of Reclamation calculations* justifying project needs and projections of demand; over ignoring recommendations of the Solicitor General that the farmer's ability to pay is really $69,000,000 - not the $16,000,000 stated in the 1965 Contract; and over the dispersement of repayment costs of CUP development;** and over need of agricultural water.
- concerns over greatly increased costs of completing the CUP, water rate charges to M & I users, State taxpayer repayment obligations, and State cost sharing obligations.
- concern over the Taxation without Representation issue raised over CUWCD Board appointments, rather than elections;*** inequitable taxation and CUP participation when no CUP water will be received (Uintah County); taxation by the CUWCD without accountability **** for use of monies; efforts of CUWCD to silence opposition.
- concerns over failure of water developers to assess available alternative water supplies - which has been addressed now in three Utah League of Women studies. The latest accompanies this statement. This concern is reflected over Bureau budget request for $1,100,000 to study alternative hydrological bases as water supply. (1982)
- concern on the part of the Ute Indian Tribe that projects to mitigate for deferral of 60,000 acre feet of their irrigation water until the year 2005 have not been fulfilled. (Bonneville Unit construction)
- concern on the part of 5 Northern Utah County cities at Bureau of Reclamation methods of rights-of-way acquisition for construction of 2 large aqueducts through their city areas. This concern has just recently resulted in a suit brought by these communities.

Mr. Chairman, it is our belief that the above stated concerns and broad-based lack of information and understanding by taxpayers about critical issues related to their water supply, justifies oversight and/or public hearings in Utah. While some issues raised here are beyond the purview of the Congress, we think that the time is at hand to inform the public about all sides of their water supply issues and problems and to do this without bias. The facts are available. They just need to be presented honestly, completely and without fear of reprisal to those taking stands.

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* "Economic Analysis of the Bonneville Unit, CUP" - Professor Thomas Power, Dep't Economics, University of Montana, 1977

** "Distributional Issues in Western Municipal and Industrial Water Supply: The Bonneville Unit of the Central Utah Project" - Assistant Professor Jon R. Miller and Daniel Underwood, University of Utah, Department of Economics, 1982. (Preliminary Draft - sent to the Committee)

*** An issue of concern to the State and Local Affairs Committee of the State Legislature, 1981

**** See accompanying Legislative Audit of CUWCD receipts/expenditures

It is our view that the New Federalism, whereby States and their residents assume a greater share of costs of water development projects which benefit them alone, and should not be left disproportionately on national taxpayers and the Federal government, should be part of the issues addressed, specifically.

We recommend, therefore, that the Senate Subcommittee on Energy and Water Development hold hearings for all participants in Utah in the Central Utah Project development to lay before this public the following facts related to CUP development. This is particularly pertinent to urban water users such as Salt Lake Valley who ultimately must bear the greater burden of costs of this Federal development, and its delivery and treatment.

- what kind of water management the CUP is based on, i.e., development, storage, carriage of surface waters from high quality water sources in mountain rivers only and from the Colorado River.

- what kind of water management it is not: development of water sources locally available on small scale using varying qualities of water to serve varying beneficial use purposes.

- bases of Bureau of Reclamation projections of water demand: what it is not, i.e., water conservation measures to reduce demand.

- state of existing project developments: % completions, costs already as well as projected to complete; costs to develop water per acre foot as well as rates and repayments chargeable to taxpayers and water users; what they will get, where, when, for what purposes, at what costs.

- what kind of projects are to be constructed, where, in what sequence to produce what results, and what problems are encountered and have or have not been resolved, i.e. Starvation Reservoir, Soldier Creek Dam repair costs of $7,000,000.

- how receipts from participating Colorado River Basin Projects are disbursed, to whom, for what purposes, in what amounts, to what States. How the Federal government does or does not benefit, to what extent, from subsidizing water developments.

- how does and will Federal hydropower development fit into power grids and for whose benefit, where.

- costs of operation and maintenance of projects turned over to States, how these are to be met, by whom, in what way.

- opportunity for the public to state reasons for their environmental concerns in projects to come, and propose alternative planning i.e., diking enormously valuable wetlands and bays on Utah Lake, the Provo and Goshen Bays; development of hydropower on Utah Lake. Review - before these issues are already drafted into EIS's. The piece-by-piece planning in Bonneville Unit development was challenged in a 1973 suit under non-compliance with NEPA. Interpretation of NEPA was only developing then and the suit was lost. However, the issues are even more relevant today since wetlands and unique warm water lakes are recognized for their native ecological significance.

- opportunity for the public to state their support or non-support for completion of the Central Utah Project. It is their dollars which are buying a water supply product and when conditions change or have other relevance to this water supply, there ought to be an opportunity for the public to review all relevant factors when they spend these dollars..and to make a choice.

Relevant Information

Costs (Report Schedule, UCR, 13 F, CUP, BU, Approved - Broadbent 1/20/82)

Bonneville Unit

Estimated Total Construction Costs as of September 1981	$1,649,872,027
Total spent as of September 1981	275,031,055

% completed just under 17%

Strawberry Collection System, BU

Estimated Cost as of September 1981	510,000,000
Total Spent as of September 1981	200,000,000

(Some of this may have been spent to buy back the mole stuck in the mountain in the Upper Stillwater Tunnel as well as in re-doing projects related to geologic problems. Amount = $75,000,000)

Total % completed is 39% not allowing for repair and replacement.

Background Information

(Interview with Gordon Rands, Organizational Behaviorist, Resources West, Salt Lake City)

Social Changes in Utah since CUP was Initiated

"During the 1950's and 1960's there was a population drain from the State. Even though Utah had a high birthrate, children left the State for jobs elsewhere. Growth and development was seen as desirable to reverse the trend and water development was a means of encouraging growth. CUP encourages growth by bringing people to where the water is. And the "pitch" of the water developers, based on fears of lack of water, of "what would Utah do in event of drought", and "how can we keep our Colorado River entitlement within State boundaries to prevent lower Basin States from developing it first" - met with favovorable acceptance.

Growth since then in the 1970's took people by surprise, although job opportunities kept children here. But what happened? As new people came in and settled, the influx of population changed the quality of life. Natives began to question consequences of growth. One of the questions asked was how much growth should occur in Utah, where, and should growth be moderate and incremental - not the potential boom which CUP water supply helps generate.

Along with this change, came other changes related to CUP development; economic factors affecting water users such as increased taxes for water treatment plants; inflationary costs on everything - with CUP an added threat; new environmental positions raised. But as people became more questioning about the values of growth versus "what used to be", there was no meaningful opportunity to express their opinions.

At the same time, the CUWCD has assumed no changes have taken place. The CUP was a sacred cow - a resource to the people, and the District had done such a slick "selling" job in the 1950's and 1960's - the issues were polarized and too many questions remained unanswered by those in the water development business who could not recognize that they were not in tune with the times... or with the people.

It is time now for decisions to be made but on other premises reflecting the situation today."

Strategies of the Water Developers and CUP

Since its inception, there has been consistent selling of the need for Colorado River water transfer to Utah's west - based not on the natural hydrology of regions but on retaining Utah's Colorado River entitlement. While this is consistent with the philosophy of the Colorado River Basin Compacts, its implementation is proving too costly for taxpayers at all levels, and water users at all levels, and in social growth impacts.

Yet in the "selling of CUP" - opposition has been sidetracked; known water supply alternatives manageable on smaller scale, locally, have been inhibited; resolutions of water rights constraints to ground and surface water management in the Salt Lake Valley have been ignored; conversions of water rights to farmlands converted to urban uses has been too slow - all in the name of getting the CUP completed.

The time is here for review and involvement of the bpoad public interest in water use in the State of Utah.

STATEMENT OF PETER HOVINGH, PRESIDENT, UTAH NATURE STUDY SOCIETY

Utah Nature Study Society is rather concerned about the reckless nature of water development in Utah which neither wildlife nor river recreation is taken into consideration. The Colorado River provides some of the world's most unique river related recreation with unique trips on the Yampa-Green, Desolation Camyon, Cataract Canyon, and finally the Grand Canyon. Utah Lake contains an abundance of wetlands- a rare ecosystem in desert regions. Pulling water from the Colorado River drainage and diking off the wetlands of Utah Lake have a severe impact on wildlife and a severe impact on wildlife observing recreation in Utah.

Thus many of us in Utah Nature Study Society question the entire concept of the Central Utah Project. Of course, one can ask just what are the alternatives. We have seen the pricing mechanism in gasoline prices and electric energy prices and natural gas prices provide a mechanism of conservation. The higher the prices go, the less people tend to use. Unfortunately, with electric energy generation, the less one uses, the higher the prices go because of the bond indebtedness of the utility company (i.e., the bonds must be paid off).

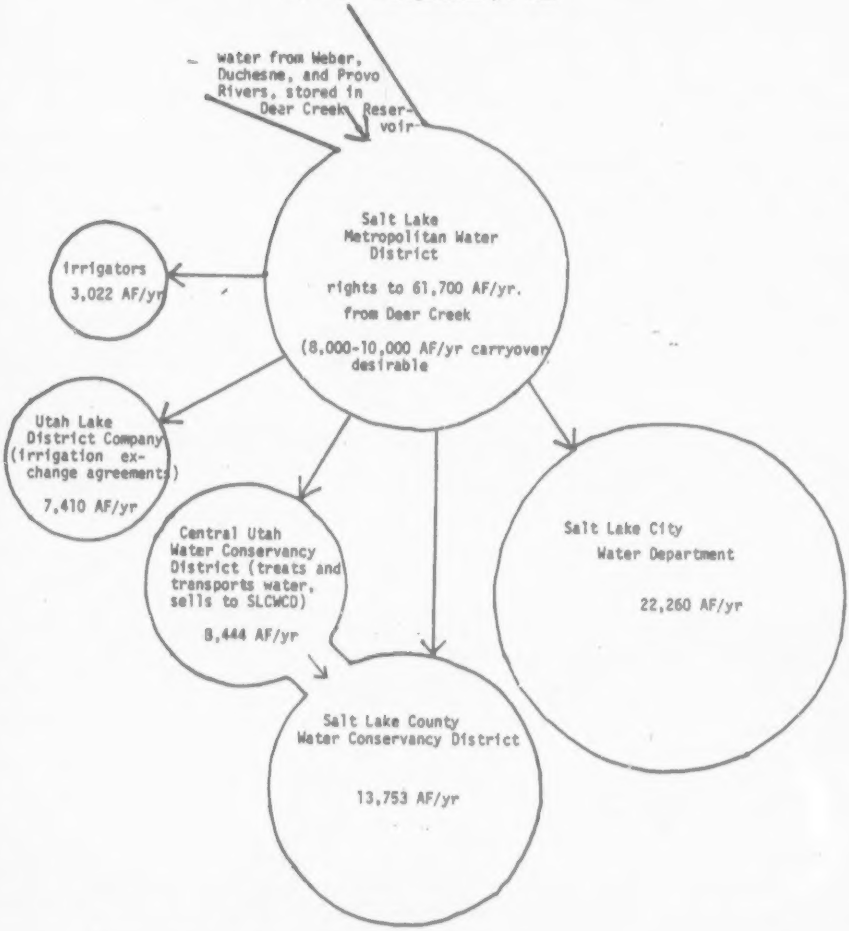
With water developments there is a similar situation. The Central Utah Project Municipal and Industrial water costs may be ten times that of the present water costs. As little as 40% of the water (culinery) is utilized for water yard grass and flowers, for washing cars, and hosing off the leaves (instead of using a rake) in the autumn in Salt Lake City. The City is already increasing the price of water just to rebuild its archaic water delivery system. The price of water may double or trible in a few years. Costly Central Utah Project water will greatly increase the cost. Unfortunately, the Federal government and bonds of Salt Lake City will have to be paid off. The high cost of water could create a surplus of water, through conservation. The more conservation is inacted, the higher the price of water- to pay for the bonds. People in Utah will not be able to afford to water their lawns with culinary water! They may not afford even to flush their toilets. And meantime, unique wildlife and recreational opportunities are lost.

Please include this statement as a part of the Appropriations record on the Central Utah Project appropriations.

WATER IN THE DESERT—A STUDY OF WATER SUPPLY IN SALT LAKE COUNTY

PREPARED BY LEAGUE OF WOMEN VOTERS OF SALT LAKE

WATER SOLD BY THE SALT LAKE METROPOLITAN WATER DISTRICT
1979 - 81 Average Sales per Year


water from Weber, Duchesne, and Provo Rivers, stored in Deer Creek Reservoir
Salt Lake Metropolitan Water District
rights to 61,700 AF/yr. from Deer Creek
(8,000-10,000 AF/yr carryover desirable
Irrigators
3,022 AF/yr
Utah Lake District Company (irrigation exchange agreements)
7,410 AF/yr
Central Utah Water Conservancy District (treats and transports water, sells to SLCWCD)
8,444 AF/yr
Salt Lake City Water Department
22,260 AF/yr
Salt Lake County Water Conservancy District
13,753 AF/yr

Source: Salt Lake Metropolitan Water District data.

OVERVIEW

The basic question which triggered this study was a simple one: Is there enough water to supply the Salt Lake Valley in the future? The simple answer is yes. One has only to consider the millions of acre feet stored in Great Salt Lake, in Utah Lake and the Jordan River, in ground water aquifers, in mountain snowpacks and streams, and in the state's entitlements to rivers such as the Colorado and the Bear to realize how much water there is in this region. Our valley is a virtual desert with only 12 to 16 inches of precipitation each year, but it is a desert surrounded by water.

It soon became apparent that a less simple question must be asked: Will there be enough water at the right time, at the right place, of suitable quality, and at reasonable cost? To this question, the answers are not at all simple. They depend in part on how our water is managed and used.

Rather surprisingly for our comparatively urban area, nearly half of the estimated 625,000 acre feet (AF) of water withdrawn from its sources annually from 1970 to 1975 was designated for irrigation. However, considering the shrinking acreage under cultivation and the calculated 5 AF needed per acre per year, it is unlikely that more than 60 percent of that water was actually needed for agriculture. (An acre foot, or AF, equals the amount of water needed to cover an acre to a depth of one foot.) Another one-fourth of total valley use was for large industry, 89 percent of it for Kennecott and some of the rest for Utah Power and Light. Only one-fourth of the water went to municipal or culinary users, that is, householders, businesses, and light industry.

Agricultural users need water in the southern and western parts of the county during the growing season, while industrial users need water delivered the year round to the west side of the valley. In populated areas which are constantly expanding and whose population centers are shifting, municipal users require water the year round. But much more municipal water is needed in summer when lawns and gardens take six times as much water as is used indoors. In fact, half of all municipal water is used outdoors each year. Although agricultural and industrial water need not be of as high quality as municipal water, about one-fourth of the water put to those uses probably is of high quality.

The principal sources of all this water are local streams flowing from Wasatch and Oquirrh canyons, and the Jordan River running from Utah Lake to the Great Salt Lake. All together, these streams supply over two-thirds of the total. The mountain peaks receive 60 inches of precipitation each year, much of that during the winter, so the peak flows of their streams occur during the spring snowmelt. Stream water quality is generally high except for the Jordan River, where it is very low. The second largest water source is wells, which supply almost one-fourth of total water. Wells raise ground water which varies considerably in quality and quantity, depending on location, but is usually available year round. A third source is water imported into the Salt Lake Valley, almost all of it from Deer Creek Reservoir on the Provo River near Heber. This relatively high quality water is stored and is thus available throughout the year. It supplies the remaining 10 percent of Salt Lake Valley needs.

Even this brief picture of water uses and water sources implies that some intelligent human intervention is required to deliver needed water of appropriate quality to suit various seasonal and geographic demands. The picture is further complicated by the fact that there is no single water manager to make valley-wide decisions. Most irrigators and industrial users hold their own water rights. Municipal users must buy water directly or indirectly from some two dozen different suppliers, including municipalities such as Salt Lake and Sandy Cities, a water conservancy district, a metropolitan water district, special improvement districts, and private water companies. In the interest of simplicity and because it is municipal water which may be in short supply, this study deals in detail with only the three major suppliers who sell 75 percent of Salt Lake Valley municipal water. They are, in chronological order of creation, the Salt Lake City Corporation (specifically the Water Department in the city's Department of Public Utilities), the Metropolitan Water District of Salt Lake City (Salt Lake Metro) and the Salt Lake County Water Conservancy District.

Salt Lake City Water Department retailed a little over 93,000 AF of water in the 1979-80 water year to customers inside the city and in the outlying county. Its supplies come from local canyon streams (70 percent), from Deer Creek Reservoir, through Salt Lake Metro (20 percent), and from ground water (10 percent).

Salt Lake Metro wholesales an average of 46,000 acre feet a year. Ten percent goes to irrigators. About half of the remainder goes to Salt Lake City and half to the Salt Lake County Water Conservancy District. All of Salt Lake Metro's water comes from Deer Creek Reservoir in which Metro owns an approximate 60 percent share. The Metropolitan Water District was created in 1935 for the express purpose of allowing city participation in the Bureau of Reclamation's Provo River Project, of which Deer Creek is a part.

Salt Lake County Water Conservancy District delivered about 35,000 AF of water in 1980. Only 20 percent of the county conservancy district's water goes to retail customers. The rest is wholesaled, primarily to more than a dozen retail suppliers such as municipalities, improvement districts and private water companies. The county conservancy district has two main sources of supply--Deer Creek water bought from Salt Lake Metro and ground water from its own wells and springs. Between 1974 and 1980, the proportion averaged 63 percent from Deer Creek and 37 percent from ground water, but there were wide year-to-year variations.

Salt Lake City, having been in the water business the longest, has some advantages in that it has been able to obtain water rights to its principal supply, ie., canyon streams, and has preferential rights to all Deer Creek water held by Salt Lake Metro. Altogether the city has access to twice as much water as customers within the city use. Therefore it can supply its residents and still have surplus to sell to county customers. However, the city is finding it necessary to expand its distribution system in order to get the water to where it is needed, particularly on the west side of the valley. Also, some believe the city may be vulnerable to shortages in case of long term drought or because of expected growth in the northwest quadrant beyond the airport. The county conservancy district's supplies are somewhat vulnerable because its Deer Creek water from Salt Lake Metro would not be available to the county if Salt Lake City needed that water for users in its own supply area during a very dry year. However, the county conservancy district is now taking advantage of opportunities to lease unused irrigation water from the southern part of the county and to treat it for culinary use. The county conservancy district is also coordinating the use of its supplies with those held independently by its wholesale customers.

All these suppliers are constantly trying to secure and expand their supplies. They know that as population grows, so grows demand for municipal water. By 1995, there will be fewer acres of irrigated cropland and only modest increases in industrial water use. But demand for municipal water will grow substantially because there will be at least 50 percent more people in the county than in 1975, and each person will need an estimated average of 236 gallons of water per day. These particular figures are taken from a 1977 study by Salt Lake County Water Quality and Pollution Control and prepared by Bard Glenne, one of the most recent of many studies by water planners who want to be sure supply will match demand.

Such efforts to peer into the future are not easy. Data may be scarce and they vary in different localities throughout the county. Methods of projecting past data into the future also vary. Projections always rest on assumptions which are subject to honest disagreement and which depend on information that may turn out to have been insufficient. So it is not surprising that these studies often disagree on the exact rate of population growth or the precise per capita demand for water and the question of whether it will increase, decrease, or remain constant. More multi-family housing (which requires less outdoor water), greater water distribution efficiency, and rising water prices are all expected to restrain per capita demand. But even if per capita demand remains constant, population growth will cause a municipal water shortfall of 54,000 AF by 1995. This prediction is from the first phase of an area wide study sponsored by the three major water suppliers in the county. The Glenne study mentioned earlier used some different assumptions and predicted a shortfall of 71,000 acre feet by 1995. LeRoy Hooton of the Salt Lake Water Department has recently said that demand may outstrip supply as soon as 1986. All these predictions are based on water supply levels current at the time they were made. They do not take into account expansion in water supply which is occurring now.

Some water supply expansion projects are underway while others are being examined for feasibility. Local storage and distribution facilities are being enlarged to move existing supplies more efficiently to new growth areas. New wells have been drilled. Suppliers are trying to convert local surplus irrigation water to municipal use and to coordinate the use of surface and ground water more efficiently. Eventually, 70,000 AF are expected annually from the Central Utah Project (CUP). Some of this CUP water would be delivered if and when the planned Jordanelle Dam above Heber is built. Some could come sooner by means of an agreement now under negotiation to free for muncipal use that Deer Creek water which currently goes to irrigators by substituing CUP water from Strawberry Reservoir.

Current feasibility studies deal with assessing total local supply (phase two of the Area-wide Water Study), proposed dams to store water in local canyons such as Little Dell northeast of Parley's Canyon, the economics of dual water systems which use low quality irrigation water directly on lawns, the potential for using more local ground water without reducing water pressure or quality, and importing water from the Bear River in northern Utah.

These are not the only supply alternatives being considered. The present study discusses the potential for recycling waste water from treated sewage effluent, for desalting flows into the Great Salt Lake and treating Utah Lake/Jordan River water, for revising water laws, and for encouraging more coordination among water managers. We have made a special effort to understand how supply might effectively be increased by reducing demand through conservation measures and price adjustments.

We have found advocates and opponents of all these water supply strategies. We have also begun to understand some of the questions which should be asked about each option:

How much water can be supplied?
What will the quality of that water be?
How long will it take to develop the water
  to be supplied?
How much will the water cost to develop per acre foot?
Who will benefit from the water?
How will development affect public health and safety?
How will development affect the environment?
How will development affect water rights of others?
How will life styles be affected?
Will changes in water law or institutions be needed?
Has the option beem fully examined and compared
  with other strategies?

Full examination and comparison of alternatives seems to be most difficult. The Area-wide Water Study sponsored by the county's three major water suppliers should be a step in this direction when it is completed in Spring 1932. Perhaps one reason for the difficulty is that such an analysis would require an objective disinterested attitude toward water, which has always been difficult to maintain.

PART I: WHERE ARE WE NOW? A DESCRIPTION

A. WHO SUPPLIES AND DELIVERS MUNICIPAL WATER?

The three major municipal water suppliers in Salt Lake County are the Metropolitan Water District of Salt Lake City, Salt Lake County Water Conservancy District, and Salt Lake City Corporation, specifically its Water Department. The first two are primarily wholesale suppliers, and nearly half (about 45%) of all culinary supplies in Salt Lake County go through them.

The Metropolitan Water District of Salt Lake City (Salt Lake Metro) is the larger of the two. It was organized in 1935 after Salt Lake City successfully encouraged the state legislature to pass a Metropolitan Water District Act. As the vehicle to effectively increase the city's bonding capacity, Salt Lake Metro's immediate function was to contract with the Federal Bureau of Reclamation for construction and repayment of the Provo River Project. This project created Deer Creek Reservoir to provide water to Salt Lake City and irrigation water to farmers in Utah and Salt Lake Counties. Salt Lake Metro also negotiated an agreement with the federal government to build the Salt Lake aqueduct to bring Deer Creek water into Salt Lake County for municipal use. Upon completion of the aqueduct and a terminal reservoir at 33rd South near Wasatch Boulevardin 1952, Salt Lake City began receiving water from the project.

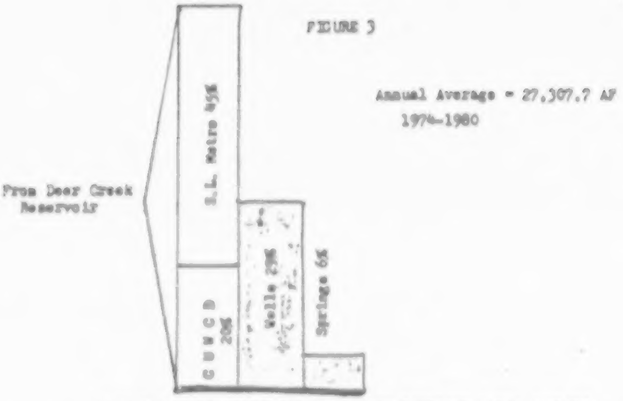
One hundred percent of Salt Lake Metro's water comes from Deer Creek Reservoir, of which it owns a 61.7 percent share, or 61,700 AF. Irrigators and municipalities in Utah and Salt Lake Counties own the remainder. Metro owns the Little Cottonwood Treatment Plant where it treats both Deer Creek water and the city's water coming out of Little Cottonwood Canyon. Presently Salt Lake Metro sells about one-tenth of its water to agricultural users. It sells the rest in about equal portions to Salt Lake City Corporation and directly or indirectly to the Salt Lake County Water Conservancy District. [Figure 2]

Salt Lake Metro is managed by Vaughn Wonnacott and directed by a board of directors appointed by the Salt Lake City Council.

The Salt Lake County Water Conservancy District (county conservancy district) was created after World War II. The rapidly urbanizing county had found itself without a developed water supply when Salt Lake City did not expand its boundaries. In 1951, the county conservancy district was organized to supply municipal water to this area. Its board of directors signed a contract in 1953 with Salt Lake Metro to receive Deer Creek water. The new water district also began drilling wells to supply customers. Robert Hilbert, hired in 1954, was the county conservancy district's first employee and has served as general manager ever since.

As Figure 3 shows, the county conservancy district obtains two-thirds of its water from Deer Creek Reservoir. Year to year variations have been wide, however. Most of this water comes directly through Metro's treatment plant in Little Cottonwood Canyon, although some also comes through the Central Utah Water Conservancy District's Jordan Valley treatment plant in Bluffdale. This district obtains the remainder of its water from 18 wells and two springs.

FIGURE 3

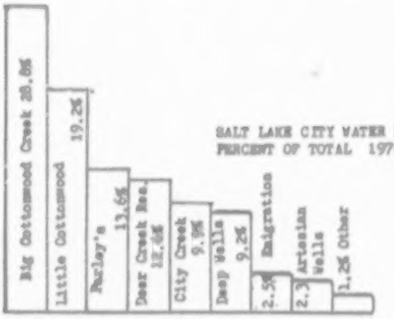


SALT LAKE COUNTY WATER CONSERVANCY DISTRICT WATER SOURCES
Percent of Total, 1974-1980 Annual Average
Source: Salt Lake County Water Conservancy District Annual Reports.

Although the county conservancy district retails water to about 7000 customers, these constitute only about 20 percent of its total sales. Eighty percent of its sales are absorbed by Granger-Hunter Improvement District, Kearns Improvement District, West Jordan City, Taylorsville-Bennion Improvement District, Sandy City and other wholesale customers.

Salt Lake City Corporation is strictly a retail supplier of municipal water to all Salt Lake City residents. Specific responsibility for water management lies with the city's Department of Public Utilities, or Water Department, directed by LeRoy Hooton. As Figure 4 shows, the city buys only a small portion of its water from Salt Lake Metro; this amount, though, has increased in recent years. The city also holds its own water rights, directly or through exchange agreements, to the rest of its supplies, which come primarily from local canyon streams. Big and Little Cottonwood Creeks alone currently provide about half of the city's water supply.

FIGURE 4

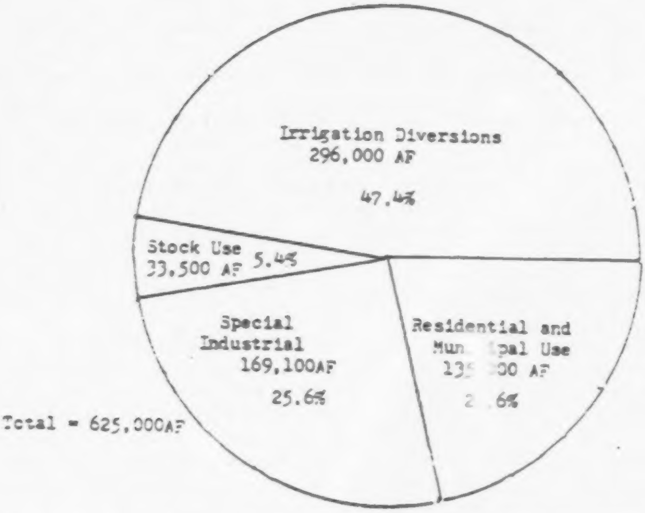


SALT LAKE CITY WATER DEPARTMENT WATER SOURCES
PERCENT OF TOTAL 1972 - 81 ANNUAL AVERAGE

Source: Salt Lake City Water Dept. Annual Reports.

These sources provide access to twice as much water as customers within Salt Lake City can use. This includes the water that Salt Lake Metro currently makes available to the county conservancy district until such time as the city needs

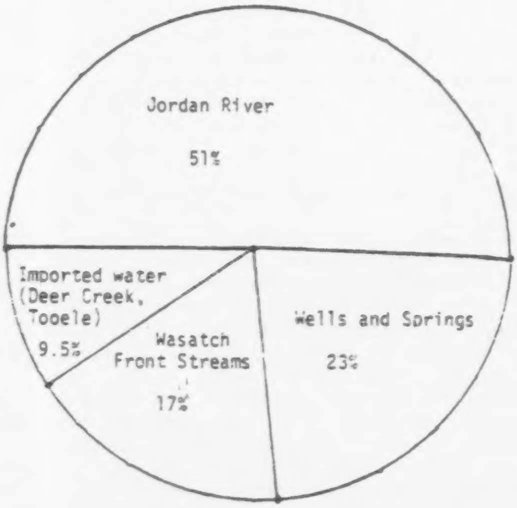
FIGURE 5



SALT LAKE COUNTY WATER USES AND DIVERSIONS BY TYPE, 1970-1975 ANNUAL AVERAGE
(Acre ft./year)

Source: Salt Lake County Water Quality and Water Pollution Control, Water Supply and Use: Status and Outlook in Salt Lake County, prepared by Bard Glenne, 1977.

FIGURE 6



SALT LAKE COUNTY DIVERSIONS BY SOURCE 1970-1975 ANNUAL AVERAGE

Source: Water Supply and Use: Status and Outlook in Salt Lake County, 1977.

it, or about 22,000 AF. The city is also able to sell some 30,000 AF of surplus water annually to its own retail customers in the outlying county at rates 50 percent higher than city rates. By far the largest water retailer in the county, Salt Lake City Corporation sells roughly three times more water than the county conservancy district sells to its wholesale and retail customers combined. In the 1979-80 water year, Salt Lake City sold roughly 93,000 AF.

In addition to Salt Lake City Corporation and the county conservancy district, a variety of other retailers, including several municipalities, sell the remaining 20 to 25 percent of the county's municipal supply. While many of these retailers have wells of their own, some buy at least a portion of their water wholesale from the county conservancy district.

B. PRESENT USES, SUPPLIES AND SOURCES

Although Salt Lake County is the state's most urbanized region, about half its water is allocated for agricultural use. One-fourth goes for special industrial use, primarily by Kennecott Copper Corporation. One-fourth is needed for municipal use. Only municipal water goes through culinary treatment. Most of this water serves homes and businesses, but about 10 percent is also used by various smaller industries. Figure 5 shows diversions by type of use.

To calculate water use, we must first know how much is diverted, ie., withdrawn, from its source. From 1970 to 1975, total annual diversions for all uses combined averaged some 625,000 AF, according to the Glenne study cited in Figure 5, although the totals fluctuated significantly from year to year. This amount is enough to cover the entire county to a depth of 15 inches.

There are four main sources for this water: surface water from local mountain streams, ground water, Utah Lake-Jordan River water, and water imported from sources outside the Jordan River Basin. This last category includes water from the Provo River, supplemented by the Weber and Duchesne Rivers, stored in Deer Creek Reservoir on the Provo River, and then transported into Salt Lake County via the Salt Lake and Jordan Aqueducts. Figure 6 shows that less than 10 percent of the water used in Salt lake County is imported.

However, about one-third of our municipal water is imported and is used most heavily during dry months when demand is highest and local streams are driest. Agricultural water comes from all four sources, but three-fourths comes from Utah Lake via the Jordan River. Because of its lower quality, Jordan River water is used only for irrigation and special industrial purposes.

While we lack reliable direct records of consumptive water use by agriculture and industry, we can make reasonable estimates. Based on estimated irrigation requirements of 5 AF per acre, 175,000 AF should have been needed to irrigate the 35,000 acres in production in 1975. But 276,000 AF were diverted. [Glenne study] These figures suggest that some 100,000 AF of diverted water were never used.

The discrepancy between diversions and consumption may have occurred because the source of data on water use is the water rights holders themselves. Because their rights can be legally challenged if they do not use all the water they have been allotted, their reports may reflect this concern rather than the actual amount of water needed and used.

According to the Glenne study, irrigated acreage in the Jordan Valley has been steadily decreasing from some 48,000 acres in 1935 to about 35,000 acres in 1975. This trend should cause the release of large quantities of water for municipal and other uses.

At least one experienced observer who is not a water manager has suggested the need for an independent, credible source, with no position to advocate or protect, to assess total quantities of water diverted but not fully utilized, including treated municipal wastewater as well as unused agricultural and industrial water.

Since municipal water use is metered, we have more direct information on it. According to Salt Lake City data, per capita water use in the city's service area averaged 224 gallons per day (gpd) in 1979-80. Daily use might be eight or ten times higher on a hot summer day than on a day in February. Annually, on the average only half of the municipal water is used indoors. Fifteen to 20 percent of water for indoor residential use is consumed, says Terry Holzworth, director of Salt Lake County Flood Control and Water Quality Division. At least 80 percent is used to transport wastes out of the home. Thus only about 22 of the original 224 gallons used by each person were actually consumed. The remaining 212 gallons entered the local drainage system through the sewers, through the storm drain collection system, and through groundwater recharge.

It is not presently known how much additional water which is neither used nor diverted may be available in the valley. Salt Lake Metro, Salt Lake County Conservancy District, and Salt Lake City Corporation are sponsoring the Area-wide Water Study to inventory surface water supplies in the county and attempt to define total quantities available. In addition, Salt Lake County water utilities are helping to fund a United States Geological Survey (USGS) study to determine usable quantities of ground water. Results of this survey will be available in 1985.

C. WHAT HAPPENS TO MUNICIPAL WATER AFTER USE?

There are nine sewage treatment plants throughout the county, including one serving Salt Lake City. After treatment, the effluent from these plants is discharged into the Jordan River or into a sewer canal and then flows into Great Salt Lake. Nearly all treatment plants are currently operating near or above capacity. If the current building slump had not occurred, most plants would be forced to release raw sewage into the Jordan River or to produce effluent which does not meet state water quality standards. In an attempt to limit the amount of water entering the plants, the Salt Lake City-County Health Department has undertaken a public education campaign to reduce indoor water use.

In Salt Lake City, water supply and waste water treatment have been consolidated within the Department of Public Utilities. Elsewhere in the county the eight various municipalities and special districts treating waste water operate independently of the two dozen retail suppliers. If and when the planned South and Central Valley Treatment Plants are completed, waste water treatment will be consolidated into three large entities.

PART II. FUTURE NEEDS

Demand for municipal water has been growing, and most predict this trend will continue. LeRoy Hooton recently predicted that the Salt Lake Valley could run out of present supplies of culinary water when the population passes 700,000, maybe as early as 1986. However, supplies are increasing all the time as local distribution facilities expand and new water sources are developed.

Efforts to predict future culinary water needs lead to two questions: how many people will use the water, and how much will each person use, on average?

Projecting the rate of future population growth and when and where growth will occur is not easy. Although population projections for Salt Lake County are updated frequently, the further into the future they go, the less reliable they are. A projection is only as good as the assumptions on which it is based, and different planners frequently base their projections on different assumptions. Still, assuming we can project population for the year 2000, we still do not know if each person will continue to use the same amount of water as now.

Accurate estimates of past and present per capita use are difficult to obtain. Meter readings record water use at each hookup, but a residential hookup may be for either a single-family or a multi-family dwelling. Salt Lake City serves a larger population than census figures for the city indicate, because of the large daytime population who come into the city to study or work and because of the growing number of hotels and convention centers. The city's Water Department has tried to take these and other factors into account when estimating the size of population served, but LeRoy Hooton is quick to point out that to make accurate estimates is very difficult.

As a result, trends in per capita use are not always clear. A 1976 study by the State Division of Water Resources revealed no significant long term increase or decrease in per capita water deliveries; they averaged 214 gpd. The study was based on analysis of Salt Lake City Water Department records from 1913 to 1975. But data from the county conservancy district on average deliveries per hook up suggest a rise in per capita use. In most urban areas per capita use decreases as population density increases and a greater proportion of people live in apartments and condominiums. As one water manager told us, determining per capita water use is a complicated issue and more study would be useful.

Water suppliers know that future per capita demand depends upon many factors they can neither predict nor directly control. Decisions by agencies responsible for waste water management, setting water pollution standards in rivers and streams, planning and zoning, and minimum requirements for residential lot size, to name a few, may affect water use. Yet these decisions are often made without explicit consideration of their side-effects on water demand and use.

Predicting future per capita use also requires estimating what future economic conditions will be. Economic recession and recovery, inflation and interest rates, availability and price of gasoline, all will influence the type of housing people choose and thus the amount of outdoor water they use. Whether or not federal funds are easily available to help pay for water development and waste water treatment is also important.

Although water demand is difficult to predict, it can be controlled to some extent by deliberate management and policy decisions at the local level. Water rates could be raised in selective ways to decrease demand. For example, rates could be higher during the summer when demand is greatest, or at higher elevations where additional pumping requirements make water delivery more costly. Dual water systems could be installed to permit lawn sprinkling with lower quality water, thus reducing demand for municipal water. Building code changes, tax credits, or low-cost loans from water or sewer suppliers could require or encourage installation of water saving appliances. Water meters could be installed on all individual living units.

A decision to satisfy present per capita demands by investing in costly new facilities could itself result in reduced demand if the price of the additional water supplied were higher than people were willing to pay.

Regardless of whether the record population growth of the 1970's continues--and experts disagree--nobody knows for sure whether past trends in water management and use will continue. Much depends on which management decisions are taken.

Water managers and other experts are aware of a variety of techniques to reduce demand. Although they disagree on where new supplies should come from, most agree that even if per capita use falls, additional water supplies will be needed. But while water managers in particular are much more concerned with first expanding supply and only later, if necessary, managing demand, a number of economists and planners recommend policies to reduce or manage demand at the same time that supplies are increased.

PART III: STRATEGIES TO BALANCE WATER SUPPLY AND DEMAND

There are three general options proposed to avoid the municipal water shortages now being predicted: expand existing supplies, intensify use of existing supplies, and manage demand. Public debate often has been limited to the first option without extensive examination of either of the other two.

A. EXPAND EXISTING SUPPLIES

Develop New Local Surface Supplies

The Area-wide Water Study will contain information on costs of developing municipal water from a number of possible dam and reservoir sites in the Wasatch and Oquirrh Mountains and from other local sources, including the Jordan River and low quality ground water. Environmental costs, political feasibility, and social acceptance will not be analyzed or included in the cost estimates.

An example of such a source is Little Dell Dam and Reservoir, proposed by the U.S. Army Corps of Engineers and under study for many years. As presently planned, a dam and 30,000 AF reservoir just east of the existing Mountain Dell Reservoir, which is in Parley's Canyon, would divert water from Parley's, Emigration, Lamb's and Mountain Dell canyons. Expected benefits include water supply, flood control and recreation. Congress has not appropriated funds for the project.

Increase Use of Ground Water

When most people think of ground water, they think of vast, flowing underground rivers. In Salt Lake County, which hydrologists call the Jordan Valley because it is drained by the Jordan River, groundwater saturates the sediments of the sand, gravel, silt and clay that have filled the valley through the ages. Total water stored in the valley fill is estimated at about 60 million AF, a quantity equal to more than 200 years of cumulative flow of the Jordan River at Jordan Narrows, or about two and one-half times the amount of water stored in Lake Powell. It is feasible to withdraw only part of this, however.

Although approximately 12,000 wells have been drilled in the county to draw on this source, many have been abandoned. Most in use are small wells providing water for a single home, although at least 125 are significant sources of irrigation, municipal and industrial water. The approximately 125,000 AF obtained annually from all these wells from 1970 to 1980 amounted to about 20 percent of all water diversions in the county. Based on information available in 1968, Ted Arnow of the USGS estimates that another 70,000 AF could be withdrawn each year. This is the amount planned for Salt Lake County from the Central Utah Project.

The practical limit of withdrawal of ground water is determined by the rate that the aquifer can be recharged. USGS data for 1964-68 show that the annual recharge rate was 367,000 AF. There are ways to increase this through artificial recharge. The porous soil which facilitates recharging the aquifers is located along valley benches where residential development has spread in recent years. Although extensive paving and building in these areas may limit ground water recharge, lawn watering there provides considerable "inadvertent" recharge. The USGS is conducting a four year study to update these and other findings from the 1960's and to provide additional information on ground water quality. Partially funded by Salt Lake County water utilites, the study is to be completed in 1985.

To meet growing demand for water, water managers are looking to increased use of ground water. Due to pumping costs, which reflect energy prices, it costs the utility about $65.00 per AF to develop ground water for municipal use, while treated surface water costs the city from $35.00 to $40.00 per AF, according to LeRoy Hooton. But as costs of developing new surface water rise, the comparative cost of ground water becomes more favorable.

However, there are legal constraints to increased use. The Utah Supreme Court has ruled that water pressure is part of an individual water right. This ruling can be interpreted to mean that the basin must be kept full. Because of the large number of small wells in the county, no one entity can pump the reservoir as though it had exclusive rights to local ground water. There is also the possibility of over-use, or mining, of the aquifer by withdrawing more water than is replenished by recharge. This can allow invasion by saline water into areas with better water quality, can cause land subsidence or can drain the ground water aquifer to such an extent that natural recharge could take thousands of years. However, USGS hydrologists think local hydrological conditions render these dangers minimal.

Existing USGS data indicate that we can probably rely more heavily on ground water in the future. They also suggest that while most ground water currently pumped in the county is of high quality suitable for municipal use, about half of this high quality water, or some 40,000 AF, goes to industry and agriculture.

Develop More Imported Water

1. Bear River or Weber River

Nearly one million AF of water from the Bear River drainage in northeast Utah, Wyoming and Idaho now flow into Great Salt Lake annually. Under the Bear River Compact, 550,000 AF of this total have been divided among the three states. Utah's share of this could be utilized by building additional storage reservoirs. While some believe this water will be needed in the northern part of the state and should be left there, others suggest examining the possibility of using some of it in Salt Lake County. In apparent reference to the CUP, one reviewer asked, "Is there more justification for leaving water in the Bear River than for leaving it in the Unitah Basin?"

The Utah Division of Water Resorces will complete a study on the Bear River in 1982.

Some interviewees have said that historically there have been large quantities of unsubscribed water from the Weber River in Willard Bay and have suggested that this option should be examined.

According to estimates by the Utah Divison of Water Resources, 1.7 million AF of water are available in the Bear, Weber and Jordan River systems combined.

2. Central Utah Project (CUP)

The CUP was first conceived in the early decades of this century. It was proposed by the Bureau of Reclamation (BuRec) of the U. S. Department of Interior and authorized by Congress in

1956. The BuRec is engineering and constructing the project while the Central Utah Water Conservancy District will allocate the water and operate and maintain the system. The conservancy district is responsible for collecting funds to repay the reimbursable costs to the federal government. Ad valorem property taxes levied throughout the twelve county district plus sale of delivered water will finance these costs.

All of the water managers interviewed perceive that the Bonneville Unit of the CUP is essential if we are to avoid future water shortages, for in addition to providing irrigation water to central Utah, it will bring municipal water to Salt Lake and northern Utah Counties.

When construction began in 1965, the cost of the Bonneville Unit, by far the largest unit of the CUP, was estimated at $324,000 million. A 1981 BuRec cost estimate with a 1992 completion date places the unit's cost at nearly $1.6 billion in 1981 dollars. With levels of continued federal funding for the CUP in doubt, the state is examining the possibility of picking up a share of the costs itself.

Explanations for the cost increase include project delays due to unforeseen and costly engineering complications (which critics attribute to inadequate planning), low levels of congressional funding which prolong construction, the cost of design modifications to satisfy environmental regulations, and unexpectedly high inflation. As a result, property owners in the twelve counties of the Central Utah District will probably be asked to vote on a supplemental repayment contract sometime in the next two years although repayment would begin only when project water is received.

Meanwhile the up to two mills paid by property owners in the twelve counties have been used primarily to construct and enlarge three water treatment plants in Bluffdale, Orem and Duchesne. A small portion of the tax revenues have also been used to acquire water rights, to participate in co-op agreements with other agencies for projects such as cloud-seeding, stream gauging, and water quality assessments, and to support the conservancy district's headquarters and staff.

As costs have risen, the Central Utah Water Conservancy District is examining the the possibility of selling power to help pay the costs of, or subsidize, municipal water. This plan might require changes in both federal and state law, however.

Presently, 70,000 AF of CUP water are destined for Salt Lake County. Fifty thousand AF will go to the Salt Lake County Water Conservancy District. Salt Lake Metro has petitioned for 20,000 AF, but negotiations have not been completed. If exchange agreements presently being negotiated between BuRec, Salt Lake Metropolitan Water District, and three irrigation companies are successful, approximately 20,000 AF could be delivered through construction completed or nearing completion. This agreement would allow CUP water in storage in Strawberry Reservoir to be released into Utah Lake to satisfy Utah Lake and Jordan River water rights holders such as Kennecott and irrigators. The same amount of water from Deer Creek Reservoir, currently being sent through Utah Lake to serve these users, could then be delivered to Salt Lake County via the Jordan aqueduct as culinary water. In other words, if exchange agreements can be negotiated, Salt Lake County would gain CUP water in exchange for other water before CUP's Jordanelle dam is built near Heber.

Like CUP, the Provo River Project, which built Deer Creek Reservoir, was a transbasin diversion from the Colorado River system. Salt Lake City water managers are grateful now that their predecessors in the 1930's participated in this $24 million project which seemed at the time enormously expensive. Since the city could not induce other municipalities in the county to participate, it joined with Utah County members of the Provo River Water Users Association. This step, along with the city's aggressive program to obtain water rights and to negotiate exchange agreements, has provided it with substantially more water than it now uses.

Similarly, managers supporting the CUP see it as a way of preparing in a responsible manner for future water needs. A strong "now or never" attitude is increased by fears that in future years federal funds to construct it may become less available. Because the district repays the federal government's loan at only about percent interest, in a period of high inflation this looks like a very good investment for the conservancy district.

However, partly because of CUP's rising costs, some people are questionning whether the project is really necessary. As one critic put it, "throwing away money just to get a 3 percent loan would be foolish." Many say the project should be evaluated on its own merits, regardless of whether federal tax dollars will continue to be available to subsidize it. Only a small portion of the Bonneville Unit is completed, critics argue, and it is not too late to thoroughly re-evaluate the project.

Often it seems difficult to determine whether the motivation for the CUP is based on genuine need or on a determination to use Utah's full allocation of Colorado River water based on the 1922 Colorado River Basin Compact. There may be some merit to this last philosophy: if you will need to get water from elsewhere eventually, get what you might lose first!

A number of critics of present CUP planning contend that with energy development in the Uintah Basin, it no longer makes sense to divert Uintah water to the Wasatch Front. They argue that water is needed in eastern Utah for people, industry and stream flows and for holding down salinity in the Colorado River for downstream use. The more water taken out of the Colorado River system, the more concentrated is the salt content of the water that remains. Planning and engineering problems are so great that the cost of each gallon of water produced will be extremely high, independent of inflation. Cost estimates, however, differ. While the Central Utah Water Conservancy District estimates that raw, ie., untreated, municipal water from the Bonneville Unit will cost $125.00 per AF, the Utah Foundation has published an estimate of $180.00. An analysis by Jon Miller and Daniel Underwood, University of Utah economists, indicates that it will cost $236.00 per AF if average annual real costs (ie., constant dollar costs, which are independent of inflation) of the Bonneville Unit continue to increase at 2.47 percent, as they did between 1965 and 1980. All these costs are in 1981 dollars. For comparison, 1931 municipal raw water costs in Salt Lake County averaged substantially below $50.00.

One way or another, these costs would have to be repaid. But it would be up to the conservancy district to decide how much to collect in water rates from local water users, and how much from taxpayers thoughout the 12 county district. Critics argue that unless tax revenues greatly expand, which would require an increase in the present mill levy, we may find ourselves in the unpleasant position of having to pay off monumental costs of a project whose water is so expensive that people will not use it. Meanwhile, according to this view, we will have foreclosed the opportunity to use the water in the eastern part of the state.

Several northern Utah County communities are not willing to pay the high cost of CUP water and object to bisection of Pleasant Grove and Lindon by CUP aqueducts. They are promoting alternatives such as dual water systems.

In summary, there is not always a clear recognition that valid disagreement about CUP can exist. Discussion of it often results in polarization of opinions. Managers, politicians and others responsible for the project tend to view critics as uninformed or misinformed. Some critics question the wisdom and/or motivations of the project's promoters. Others view many of CUP's advocates as trapped by the momentum of past decisions into supporting policies which are inappropriate but which are, nonetheless, too politically entrenched to be effectively challenged. Perhaps reliance on anticipated water from CUP has prevented the thorough evaluation of alternative options, a process which may be necessary to resolve the controversy.

B. INTENSIFY USE OF EXISTING SUPPLIES

Increase Conjunctive Use of Ground and Surface Water

Conjunctive use is the coordinated use of both surface and ground water supplies to maximize the benefits of each. Ideally the largest ground water withdrawals should occur in summer when surface supplies are deficient, and ground water pumping should be reduced or stopped in spring when surface supplies are abundant. Ground water can also be used more intensively during dry years than in wet years, when aquifers can absorb recharge. This system provides the optimum use of total water resources, and most water managers and others interviewed would like to see a conjunctive use policy developed.

Up to now, conjunctive use has not been practiced extensively. One problem is that surface water users and ground water users are not always the same people or entities. One user may hold the rights to water while it is on the surface and a different user may hold rights to it after it sinks into the ground. Finding ways for them to cooperate can be difficult if it requires the surface water user to give up some of his water so that it can percolate into the aquifer. When control over supplies and delivery systems is fragmented among some two dozen municipal water suppliers and well over 100 irrigation and other water suppliers in the county, conjunctive use is dificult to achieve. Yet despite these constraints, the major municipal water suppliers are increasing cooperative efforts to minimize ground water pumping during periods when surface supplies are abundant.

Convert Agricultural Water Rights to Municipal Use

More and more agricultural land is being lost to urban expansion. While this diminishes a local agricultural base valued by many, it also releases large quantities for water for other uses.

Exchange agreements are an old method to convert water from agricultural to municipal use. Much of the water originally allocated to agriculture comes from mountain streams with cleaner water than is required for agricultural use. As its drinking water needs expanded, in the 1880's Salt Lake City entered into it first exchange agreements with farmers who had been using water from canyon streams southeast of the pioneer settlement. In return for water from Utah Lake conveyed through the Jordan and Salt Lake Canal, Salt Lake City received high quality canyon water. Over the years, the city has made hundreds of these exhanges.

Another conversion method is to sell or lease water rights. Municipalities, private water companies, and other entities distributing municipal water may lease or buy water rights from agricultural water rights holders, usually irrigation companies. The county conservancy district is currently negotiating with three different irrigation companies to lease rights to Bell Canyon water and plans to build a new treatment plant to treat it.

Adjudication is a third conversion method. A water rights holder may lose his right if he fails to use it for a period of five years. This explains why agricultural water rights holders may over-report their actual water use. The State Engineer is undertaking a comprehensive long term program to adjudicate, ie., identify and formalize, water rights throughout the county and to identify the amount of irrigation water actually used. What is not used will revert to the state for reallocation. This program, however, will be costly and will take many years to complete. As it progresses, agricultural rights holders may be encouraged to sell, lease or exchange unused rights they might otherwise lose.

While many of the authorities we interviewed disagree about which of these methods is most desirable, most view conversion as an appropriate way to expand municipal water supplies. Some favor adjudication while others say that adjudication is unnecessary or that it takes much too long. The choice between leasing or exchanging irrigation water may depend on whether the municipal supplier has water to exchange or not. Many suggest that the market value of water for irrigation is generally so much lower than that of water for municipal use that municipalities can make trade-offs that will be attractive to irrigators and will still be economical for the municipal supplier.

Laws and ordinances can facilitate conversions. In Utah County, some cities require subdividers to obtain irrigation rights and then to deed them over to the city. We have not obtained information on whether this is done anywhere in Salt Lake County, although the exchange is being encouraged by the State Engineer who has threatened to take away unused rights when agricultural land is sub-divided.

Several interviewees recommended that agricultural conversions be combined, with a dual water system, converting lower quality agricultural water no longer needed for irrigation to outdoor municipal use.

Install Dual Water Systems (Separate Pressure Irrigation Systems)

With a dual system, culinary water is treated and provided through one set of pipes, and untreated or lower quality water for outdoor use is distributed through canals or other pipes through a separate system. According to the State Department of Health, there are approximately 60 dual systems in the state, mostly in Davis and Weber Counties. Some of our interviewees favor keeping the older irrigation water system for outdoor use and making the new water system only large enough to deliver culinary quality water, especially in newly developing areas of the county. Since about half the culinary water in areas served by a single distribution system is used outdoors, primarily for lawn watering, supporters of dual systems claim that installation of such systems would reduce the need and costs of developing, treating, and distributing additional municipal water supplies.

Some water managers and others argue that costs and health risks are so great that dual systems are not a reasonable option at this time, except possibly in a few newly developing areas of the county. These critics are concerned about accidental human consumption of untreated water. Dual system advocates contend, however, that health risks have been greatly exaggerated and that costs, though high, are considerably lower than those of some other options, including the CUP. With unified management of both systems, they say, operation of both could be coordinated. Since dual systems exist elsewhere in Utah, considerable data and information on their costs and operation may be available to resolve differences of opinion.

Cost estimates, which have been criticized as inflated, made by the State Division of Water Resources for a dual system in West Jordan, indicate that such a system would become increasingly economical as the cost of developing new municipal water supply rises above $180.00 per AF in 1980 dollars. Economists in the division are currently working on a more detailed study of the economic feasibility of dual systems.

Expand Local Distribution and Storage Facilities

The general public often attributes summertime spot shortages and occasional low pressure problems to inadequate supplies of developed water. Managers and other informed observers, however, more frequently cite inadequacies in the local distribution system. Although sufficient water may be available to satisfy peak demands, getting it to where it is wanted, when it is wanted, is not always possible. In some cases, existing pipes are not large enough to carry peak demand flows. For example, while there may be ample water stored in Deer Creek Reservoir, the Salt Lake Aqueduct which carries it to the treatment plant and storage terminal at the mouth of Little Cottonwood Canyon cannot always handle peak flows fast enough to keep the terminal reservoir filled during summer high demand periods. As a result, the terminal reservoir cannot feed enough water into various local storage tanks and reservoirs scattered throughout the county. To expand the Salt Lake aqueduct to carry peak summer flows more adequately for a few weeks of the year would be extremely costly. This problem has been partially alleviated now that Deer Creek water is routed into the western part of the county via the Central Utah Water Conservancy District's Jordan Valley treatment plant and aqueduct.

Alternatively, sometimes the bottleneck is the limited capacity of a treatment plant which cannot treat all the water available to it.

In other cases, local storage tanks and reservoirs occasionally run dry in the summertime because their capacity is so limited they cannot always store enough water during the night to meet peak daytime demand. In addition, some observers say, it can happen that when some of these reservoirs run dry during especially hot summer days, at night so much water flows into them that it must be spilled into local streams and into the storm drain system.

Local water suppliers are addressing many of these distribution problems which were exacerbated by the very rapid growth in the county during the 1970's. Both the city and the county conservancy district and several other municipal water retailers, such as Sandy City and Taylorsville-Bennion Improvement District, are expanding local storage capacity and the network of pipelines running through the valley in an effort to reduce distribution problems and to prepare for future growth.

Consolidate Distribution Facilities and Services

There are some two dozen separate culinary water suppliers in the county. Many believe that if these were jointly managed or shared common management procedures, they could more easily share storage and distribution facilities, thus minimizing local shortages and promoting fuller use of existing supplies. Coordination among the three major municipal water suppliers and with smaller suppliers has been growing. The Area-wide Water Study sponsored by the three major suppliers is an example of cooperative research. Among many other suppliers, however, there is still relatively little coordination or cooperation.

Not all managers interviewed agree on the need for significantly greater coordination, however, saying present levels are adequate. Consolidation of water services and management, whether functional or total, may be difficult to achieve. For example, two years ago, Sandy City applied for annexation to the Metropolitan Water District of Salt Lake City. Membership would have given Sandy vested rights in Salt Lake Metro's facilities and representation on Salt Lake Metro's board. In return, Salt Lake Metro would have had access to Sandy's spring run-off water from Little Cottonwood Canyon and an increased tax base from Sandy City on which to impose a mill levy. The agreement, which would have required the approval of Sandy voters, was refused by Metro.

Another option would be for Sandy City and the county conservancy district to jointly build a new plant to treat Sandy's Little Cottonwood Creek spring run-off along with water from a variety of other nearby sources. This option became an issue in Sandy's 1981 mayoral election campaign, with challenger Larry Smith urging that Sandy build its own treatment plant instead of giving up its independence by joining with the county conservancy district. Mayor Paul Thompson favored working with the conservancy district. The newly elected Mayor Smith is now investigating various inter-local agreement possibilities.

LeRoy Hooton of the city's Water Department points out another problem. In dry years, it is difficult for him to require city residents to use less water because to do so would require declaring no surplus, and county users dependent on city surplus water could not be served. Therefore, even in time of drought, Salt Lake City can only recommend decreased water use by city residents unless it first withdraws its surplus water from county users.

Several persons interviewed also sugggested that water supply and waste water treatment could be brought under the same management, as they have been in Salt Lake City since 1978. LeRoy Hooton, who manages both, believes that integration of the two systems facilitates management. For example, in late 1980, the city initiated sewer charges based on indoor water use. This means that the more water a user puts into the sewer system, the more he pays for sewage treatment. Formerly a flat service fee was charged within a class of users, such as residential, regardless of use.

The other eight sewer districts in the county impose a uniform sewer charge on all residential hookups, regardless of indoor water use. Suppliers depend on water use for their revenues. If sewer rates based on use discouraged indoor water consumption, suppliers' revenues could fall, so there is little incentive for suppliers and wastewater managers to coordinate management and pricing.

Recycle Waste Water

Currently, no waste water in the county is recycled after treatment for culinary use or for irrigation, and very little is recycled for industrial cooling. To treat it sufficiently to allow direct recycling for municipal use would be costly, although technological innovations may reduce these costs in the future. The less costly option of recycling to irrigate crops, golf courses and public parks could indirectly release more high quality water for municipal use. Sewage effluent, or treated water emerging from waste water treatment plants, is used for agricultural irrigation in both Heber and Tooele.

Since the county's nine sewage treatment plants pour a daily combined average of 90 million gallons, or some 100,000 AF per year, into the Jordan River and sewage canals leading to Great Salt Lake, recycling of this water for irrigation or industrial use could significantly increase the county's water supply. It should be noted that because up to half of the water entering a sewage treatment plant may be ground water or storm water and run-off from lawn watering, these figures give an inflated view of actual indoor water use.

In compliance with requirements of the federal Clean Water Act for sewage treatment plants to be built with federal financial assistance, the state has studied the feasibility of land application of sewage plant effluent from the county's planned new treatment plants. But, according to Dan Filip, environmental health scientist for the State Bureau of Water Pollution Control, such use was not found to be cost-effective. Some interviewees felt that this option should be reevaluated.

In the meantime, present Utah law does not permit the use of sewage effluent to irrigate crops intended for human consumption, but it may be used on forage crops. In several other states, treated sewage effluent is used on golf courses and public parks. This is prohibited in Utah without additional treatment, says Dan Filip, adding that "We do have a conservative approach here. There's no doubt about that." He believes that if we make an error, it is better to do so on the side of over-caution.

According to attorney Gerald Kinghorn, however, state law is not clear on land application of treated sewage water. The Water Pollution Committee has jurisdiction over only what is discharged into a stream, and the State Drinking Water Committee only over culinary water standards.

Desalinate the Great Salt Lake or Treat Utah Lake/Jordan River Water

Desalination of water from Great Salt Lake itself is not technically feasible now because the salt content, ten times that of ocean water, is too high. Desalting of Great Salt Lake tributaries and treatment of Utah Lake/Jordan River water could be done, but like advanced treatment of wastewater, it would be costly and energy intensive. Potential costs of treating Jordan River water for culinary use will be discussed in the Area-wide Water Study. These options may be more closely examined in the future as their costs become competitive with other options. Advances in the field of desalination technology suggest that this could occur within the next several years.

Revise State Water Laws

Although a few interviewees emphasized that existing water laws are frequently revised and adjusted and that they are generally adequate, many recommended changes. Present laws, some indicated, do not control water use; they only provide a framework for allocating water rights. Echoing the words of one respondent that "we have no water or land use policy in this state," several suggested that the legislature should at least set guidelines to facilitate overall water policy planning.

Although a few specifically advised against changing the Water Conservancy Act, under which water conservancy districts are established, several recommended a variety of changes. Noting that the Central Utah Water Consrvancy District spends $8 million a year of tax money without any real overview, they recommended that the law be amended to provide more effective overview and to set guidelines for decision making. Their primary concern was to provide at least indirect popular or citizen representation on the boards of directors of water conservancy districts, currently appointed by district courts, to ensure taxation with representation and to make conservancy districts more responsive to the public. There was also a suggestion to repeal the boards' taxing authority.

One water manager suggested creating a new urban water authority to give urban regions a choice other than to form a conservancy district, not always appropriate to urban needs.

Another frequently mentioned need dealt not with changing the law but with enforcing existing law to adjudicate water rights promptly. Several interviewees also favored laws to facilitate conjunctive use. Other recommendations included putting water supplies and sewerage under the same agency, defining and emphasizing the public good in allocating water, and requiring more geological studies. Some also mentioned the need for a law to protect instream flows.

C. MANAGE DEMAND

Historically, water managers in this country have dealt with growing demands for water by expanding supply rather than by trying to reduce demand. Maintaining this tradition becomes more costly as cheaper supply sources are fully utilized and more expensive sources must be developed. As a result, there is growing interest in managing demand. Economists in particular have suggested that a more rational approach is to focus on reducing demand.

They argue that if suppliers continue to attempt to increase supplies to meet growing summer time peak demands, there will be more and more "excess" water the rest of the year. If peak demand growth is not controlled, they argue, then the need for ever-increasing supplies may become a self-fulfilling prophecy as water users continue to use water-intensive appliances and manufacturing processes and continue to depend on large quantities of water for landscaping. But because of the increasing costs of supplying more and more water from a limited number of available sources, prices may rise so high that people eventually use less water. If this happens, suppliers may find themselves with more developed supplies--which they must pay for--than people use. And the price of water people do use will be pushed still higher to cover capital costs and operation costs of a larger than necessary system. Economists argue that it is cheaper in the long run to cut back on peak demands.

Circumstances have stimulated this last approach. For example,the severe drought of 1977-78 in northern California brought many creative approaches to reducing demand. Elsewhere, overloaded sewer capacity in many cities. Increased capital costs of expanding supply systems have also encouraged efforts to manage demand.

Some authorities point out that managing demands rather than expanding the supply system exposes the public to greater risk during a long term drought. They emphasize the importance of the security provided by a large amount of "excess" or carry-over water. But economists argue that shortages during a drought or at other times are a function of water price as well as water supply, and that a key to avoiding such shortages is price. When a more severe drought occurs and prices do not rise accordingly, supply falls short of demand. This temporary situation can be corrected by implementation of an economic penalty for excessive water use during the drought. Frequent droughts suggest undersized facilities, a situation corrected in the long run by investing in new facilities, increasing the water supply, adding to the cost, and thus reducing demand.

Techniques for managing demand can be divided into three categories: regulatory, educational, or economic. Management policies can combine all three.

Regulatory options include laws, ordinances, and regulations to encourage decreased water use. They may be either voluntary or mandatory. A few examples are building codes which require water conserving plumbing fixtures in new construction, conservation tax credits, water rationing, ordinances regulating days or times lawns may be watered, and planning and zoning changes to decrease required lot size or to encourage multi-family dwellings. In Salt Lake County, for example, large lots originally mandated to provide drainage fields for septic tanks, often have landscaping which requires substantial irrigation. State public health standards require developers to provide storage and delivery facilities which guarantee a certain minimum quantity of water per household. This minimum recently has been made more flexible for outdoor use, with sliding scales based on the rainfall and growing season of a particular area and on the number of housing units in the development.

Educational techniques focus on informing the public of ways to conserve water and on persuading them to do so. Recently the Salt Lake City-County Health Department began a campaign to cut household water use in order to relieve pressures on overloaded sewage treatment plants. A weakness of this approach is that if the public is not convinced of the need to use less water, it is difficult to persuade them to do so voluntarily for very long. Many beleve that voluntary conservation is likely to be effective on a permanent or long term basis only if people perceive that the amount of money saved will be substantial.

Economic options for managing demand include a variety of price structure adjustments. Because the cost of developing and operating new water sources is rising, there is a growing interest in this approach. Traditionally, water managers have assumed that municipal water is such a special commodity that its use is relatively insensitive to price changes; that is, as prices rise, use will decrease only slightly. The traditional approach is to increase the supply of water to meet increasing demand. Recent experiences around the country have modified this assumption, and there is growing evidence that while indoor use decreases little when prices rise, outdoor use is sensitive to price increases.

To have a significant effect on demand, price must must rise above a threshhold level which is likely to be different in various parts of the country. If prices are low enough, water use will be indiscriminate. Salt Lake County water prices are considerably lower than those in many other parts of the country. A 1978 survey by the National Wildlife Federation found, for example, that water users in Youngstown, Ohio, paid $5.41; in Philadelphia, Pennsylvania, they paid $13.00, and in New Haven, Connecticut, they paid nearly $19.00 per 1000 cubic feet of water. In Salt Lake City, the average payment was $3.50.

Basically, prices should cover the costs a utility incurs in hooking the customer into the system, as well as operating, maintaining and developing a system which will meet peak demands. The traditional approach has been to lump all these costs together, to allocate them to various customer classes (residential, commercial and industrial) and to assess rates which vary only by customer class. One result has been to subsidize people who live at high elevations or in remote locations, and who are therefore more costly to serve, at the expense of those who are served at lower cost but who pay the same rates. Some argue that this encourages urban sprawl and overuse of water.

Rates are generally based on the amount used. They are classified as flat (the same rate is charged per unit regardless of number of units used); declining block (as the total number of units consumed increases, the price per unit falls); and inverted block (after a certain minimum, the more units used, the more expensive each unit becomes). A declining rate structure encourages consumption, and an inverted rate structure discourages consumption.

In Utah and in other parts of the Southwest, average daily water use in the summer is six times greater than in winter. At peak lawn watering hours, between six and nine a.m. and four and eight p.m., this ratio rises to ten to one and higher. It is for this seasonal peak that utilities design their systems.

But to provide the water and facilities to meet these peak demands for a few hours of the day during a few weeks of the year is very costly. For the rest of the time, the extra storage, treatment and distribution capacity is not needed. Therefore, water utiities in some cities are seeking to lower peak demands through flexible pricing. They charge one price for water during most of the year when demand is low, and they charge a higher price during the growing season when demand is highest. The effect is to flatten the peaks, which, according to LeRoy Hooton, are actually growing in the Salt Lake City service area, allowing utilities to postpone building added capacity or to design smaller additions.

The City of Tucson, Arizona, adopted a price structure which is inverted and seasonal and which recognizes the costs of serving isolated areas. This rate structure, plus an aggressive public education campaign, resulted by 1980 in a 25%

reduction from 1977 peak demands. In Santa Fe, New Mexico, a new rate structure, including a seasonal rate adjustment and taking into account the size of water connection, reduced average daily demand from 150 gallons in 1975 to 126 gallons in 1979, a reduction of 16 per cent.

Water rates may also be adjusted to reflect the cost of expanding the supplies needed for new water users. New users may be required to pay more than old users, on the grounds that it is because of the new users that water supply facilities must be expanded. When water rates are the same for new and old users, as they are in most systems, customers in older developed areas using older facilities subsidize those using new ones.

It appears that price structure adjustments elsewhere have decreased demand, and further, that there are many different ways to structure prices. If the effects of such adjustments on demand are ignored when future demands are projected, projections may be inflated.

But are there conditions peculiar to Salt lake County which limit the effective use of water pricing as a demand management technique? Water has been a relatively cheap commodity in Salt Lake County. Price increases are always unpopular. Here as elsewhere, some rate adjustments may carry a political cost too high for utilities to accept, especially if there is no general perception of a water shortage. Many feel that local cultural, social and esthetic values require large quantities of summer water for lawns and home gardens. These people argue that consumption in this area would continue at about present levels despite price increases.

There have been several recent changes in local water rates. Salt Lake City, for example, has increased water rates several times since 1973, when it switched from a declining to a flat rate structure. But because of inflation, the real price of water in 1982 is the same as it was in 1973. In January, 1982, the Salt Lake County Water Conservancy District adopted a new price schedule which incorporates some differentials both in pumping costs and in peak demand costs. As a result, the city of West Jordan, for example, will receive water at two different rates. How it and other retailers will pass these price structure adjustments on to their customers is their own decision.

Until significant price structure adjustments are implemented at the retail level and their longer term effects assessed, it will be difficult to predict with certainty whether their impact on water use and demand in Salt Lake County will follow patterns already established in other cities.

Part IV: WHERE DO WE GO FROM HERE?

Water managers seek to provide a high quality of water and service to customers at the lowest possible price, anticipating and preparing for increases or shifts in demand when they occur. During the very rapid growth of the 1970's, this was a great challenge. Given the division of water management responsibilities county-wide and the lack of overall coordination and planning, many conclude that local managers have dealt with the challenge remarkably well.

Different water supply and management options will be appropriate at different times and in different places. As prices for water rise, some options will begin to look more desirable and others less so. Some observers are concerned, though, that not all options for bringing supply and demand into balance have been adequately examined. They believe that with further evaluation new and different choices would and should be made which would minimize economic, social and environmental costs.

Some of this concern focuses on specific issues, such as the likely cost of CUP, the best way to convert unused agricultural water to municipal use, or the health risks of recycling and dual water systems. Other disagreement is over more general, almost philosophical issues such as whether an appropriate water policy should concentrate more on expanding supplies to meet growing demand or on managing demand, or whether water conservation will threaten or protect traditional life styles.

This situation may have arisen partly because information needed to fully evaluate the range of possibilities has not been available to those who make water supply decisions. Recently, some decision makers have taken steps to provide for more public input into decisions. The three sponsors of the Area-wide Water Study have appointed an advisory committee which includes a League of Women Voters member. Mayor Ted Wilson has appointed a nine member Public Utilities Advisory Committee which works closely with his office and with the City Council on public utilities issues.

Another problem may be that there is no single government agency responsible for coordinating water management and planning in the county. Therefore there is not always a clear perception of how that planning occurs or if it occurs at all. As one respondent remarked, "I don't know who makes water policy. I'd like to find out!"

When we asked interviewees "Who makes water policy in the county?" the most frequent response was that water policy decisions are governed by dominant personalities and past decisions--"by personalities and history," as Genevieve Atwood put it--more than by laws. Several, including managers, emphasized the very large influence of developers and big land owners, savings and loan institutions, big water users, aggressive managers and municipalities and certain dominant public employees.

A number of respondents, including at least one manager, noted that we have no policy per se, if policy is understood as a comprehensive set of formal rules, regulations or guidelines. One manager stated that water suppliers as public utilities operate within the parameters of accepted public policy; they do not dictate public policy. Several interviewees suggested that if we have any state water policy at all, it is to construct the CUP, and that this policy was adopted without broad public input and without thorough and disinterested examination of and comparison with alternatives.

The questions on page 6 may help to guide water managers, government officials, technical experts, and the public at large and their elected representatives as they continue to study and evaluate options for bringing supply and demand into balance.

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Acknowledgments

In Fall, 1981, the League of Women Voters of Salt Lake conducted 24 interviews using a three page questionnaire. The information obtained from those interviews and from less structured follow-up interviews with many of the same respondents and an expanded number of others provided the basis for this study. We sincerely thank the many people who graciously answered our seemingly endless questions and supplied us with additional information and materials. Without their extremely generous assistance and cooperation, we could not have produced this study.

We also thank the many reviewers within and outside the League who painstakingly read and corrected manuscripts of this study. Their criticisms and recommendations have been

indispensable. Many are included among the names listed above. Others outside the League of Women Voters include Jay Bagley, Wendell Evensen, L. Douglas James, John Keith, Douglas Kirk, Earl Staker, and Rodger Weaver. We also gratefully acknowledge Anne Keir's generous editing assistance.

Despite efforts by the study committee and the many reviewers of study drafts to eliminate errors, undoubtedly some errors remain in the study. We would be grateful if readers would notify us of them.

We gratefully acknowledge the National Pipeline Corporation's generous donation to the League of Women Voters Education Fund to finance this study.

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SUBCOMMITTEE RECESS

Senator SASSER. The committee will stand in recess until 2 p.m. tomorrow and we will reconvene at that time in room 1318.

[Whereupon, at 3:25 p.m. Tuesday, March 30, the subcommittee was recessed to reconvene at 2 p.m. Wednesday, March 31.]

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